# HOUSE OF REPRESENTATIVES— *Wednesday, July 23, 1969*

The House met at 12 o'clock noon.

Rev. Harry M. Crim, Strasburg Presbyterian Church, Strasburg, Va., offered the following prayer:

Our Heavenly Father, we thank You for this wonderful land in which we live.

Give us a clear vision of the blessedness we may achieve for ourselves and all mankind, by courageously accepting and following the principles and ideals of democracy.

Inspire us with a sincere desire to cultivate and bring to fruition those noble, moral, and spiritual aspirations and values which Thou has planted within the soul of humanity.

Fill us with love and open to us the treasures of Thy wisdom. Perfect what Thou hast begun, and what the spirit of God has awakened us to ask in prayer. Turn not Thy face from us, but show us Thy glory. Then shall we know Thy plan and way of life for us. Amen.

## THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

## MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 3379—An act for the relief of Sgt. 1st class Patrick Marratto, U.S. Army (retired); and

H.R. 6585. An act for the relief of Mr. and Mrs. A. F. Elgin.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 92. An Act for the relief of Mr. and Mrs. Wong Yui.

## FEDERAL DISABILITY AND DEATH BENEFITS SHOULD BE EXTENDED TO POLICEMEN AND FIREMEN

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

Mr. JACOBS. Mr. Speaker, today 120 Members of the House, representing 33 States of the Union and both political parties, are introducing legislation to extend Federal disability and death benefits to policemen and firemen throughout the United States who are killed or totally disabled in the line of duty.

Mr. Speaker, we are a nation of travelers.

A would-be victim whose life might be saved by a fireman or policeman in Atlanta might be a resident of San Francisco, while a policeman or a fireman in San Francisco might be killed by a resident of some other city who is just passing through.

In short, when a police officer or a fireman dies in the line of duty, he dies for America. Therefore, I hope that the Congress will pass this legislation to extend to policemen and firemen this protection at the earliest possible date.

## PRESIDENTIAL MOON LANDING COMMISSION TO DESIGN A MONUMENT IN HONOR OF OUR LANDING ON THE MOON

(Mr. PUCINSKI asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. PUCINSKI. Mr. Speaker, in order to commemorate in perpetuity the first successful landing of man on the moon, and in order to give every man on earth an opportunity to participate in the commemoration of this epochal achievement of mankind, I have today introduced a resolution calling upon the President to appoint a Commission to be known as the Moon Landing Commission, consisting of 15 members.

Mr. Speaker, it shall be the duty of the Commission to prepare a plan for the solicitation, evaluation, and judgment of designs for a monument to be erected in Washington, D.C., in commemoration of this event.

The Commission may specify a specific monetary award for the best design for the monument.

The Commission is further authorized to accept donations of money, property or personal services; to cooperate with State, civic, patriotic, and historical groups, and with institutions of learning; and to call upon other Federal departments and agencies for their advice and assistance in carrying out the purpose of this resolution.

The Commission would be required to report back to the Congress not later than July 1, 1970, with its recommendations for a suitable and fitting monument to this great and historic achievement.

## PROTECT THE FAMILIES OF POLICEMEN AND FIREMEN

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

Mr. DORN. Mr. Speaker, I have introduced a bill which will provide survivors' benefits to the families of law-enforcement officers and firemen killed in the line of duty.

At present, Federal law extends the benefits of the Federal Employees Compensation Act to police officers injured in the line of duty and the survivors of police officers killed in the line of duty, if that duty involves enforcement of Federal law. My bill would extend these benefits to all law-enforcement officers and firemen killed or totally disabled in the line of duty.

Mr. Speaker, our law-enforcement officers are our first line of defense against subversion, sabotage, and crime. He is in uniform for the security of our Nation and the protection of our very lives no less than a fighting man in Vietnam. A policeman who loses his life in the war on crime is a patriot the same as our fighting men in uniform who sacrifice for the cause of freedom throughout the world. His widow and family should be provided for.

The war on crime is intrastate, interstate, and even international. To win this war against crime is essential to the very survival of our Nation. Law and order in our country is as essential to the security of our Nation as our Armed Forces standing guard on the ramparts of freedom.

The No. 1 target of kooks, anarchists, subversives, and criminals in our country today are our policemen, patrolmen, deputy sheriffs, and firemen who are protecting our homes and our law-abiding citizens.

This legislation will reassure our gallant law-enforcement officers and firemen that someone does care. It will help the morale of these men and their families who share their trials and tribulations.

## REQUEST FOR ADJOURNMENT TO 11 A.M. TOMORROW

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

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

Mr. GROSS. Mr. Speaker, reserving the right to object, will the gentleman from Oklahoma be good enough to tell us the reason for meeting at 11 o'clock tomorrow morning?

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

Mr. GROSS. I am glad to yield to the gentleman.

Mr. ALBERT. The reason is that we would like to finish general debate on this bill today and meet early tomorrow and finish the bill tomorrow so that Members who plan to go to the All-Star game today may do so. That is the reason.

Mr. GROSS. Is there any assurance that there will be a ball game?

Mr. ALBERT. There may be; but I cannot give that assurance to the gentleman.

Mr. GROSS. Mr. Speaker, let me say to the distinguished majority leader that this bill was programed for action nearly 3 months ago. It has been difficult for me, although a member of the committee, to again get a handle on this bill. This is rather complicated legislation. It was programed for action in the last part of April, as I remember the situation, and that is nearly 3 months ago. I can see no reason in the world why this bill should not be completed today.

Mr. ALBERT. Mr. Speaker, will the gentleman yield further?

Mr. GROSS. Yes; I yield to the gentleman.

Mr. ALBERT. Should it rain, I would

ask that the order be vacated if it is granted.

Mr. GROSS. That is tailoring the legislative business of the House to depend on a baseball game, and I doubt very much that should be done.

Mr. KYL. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

## CALL OF THE HOUSE

Mr. HAYS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 116]

| | | |
|---|---|---|
| Alexander | Gray | Powell |
| Ashley | Halpern | Rosenthal |
| Baring | Hawkins | Scheuer |
| Belcher | Henderson | Sisk |
| Brock | Howard | Stanton |
| Broyhill, Va. | Kirwan | Symington |
| Cahill | Landrum | Teague, Tex. |
| Carey | Lipscomb | Tunney |
| Clark | Madden | Widnall |
| Culver | Murphy, N.Y. | Wilson, |
| Daniel, Va. | O'Konski | Charles H. |
| Diggs | Philbin | Wright |
| Foley | Pike | |

The SPEAKER. On this rollcall, 395 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

## INTERSTATE HIGHWAY SYSTEM

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

Mr. FULTON of Tennessee. Mr. Speaker, throughout our Nation we have been extending and completing vast sections of our Interstate Highway System. At the same time major Federal programs are rejuvenating our cities through urban renewal projects.

In both cases the overall benefit has adversely affected certain individuals whose homes have been taken either through purchase or through condemnation for both our interstate highway program and our urban renewal projects.

Many of our veterans who have purchased their homes under their GI bill of rights have been faced with such condemnation proceedings, and learned that once their home has been taken they are no longer eligible to purchase a second home through their GI home loan programs.

At the present time, all GI entitlement for World War II veterans will expire in July of 1970.

These veterans who originally bought their homes utilizing their hard-earned GI home loan benefits are now faced, through no fault of their own, with the loss of their homes. It is the responsibility of Congress to see that such an inequity is corrected.

Therefore, I have today submitted legislation which would correct this inequity. Specifically this legislation would restore to these displaced World War II veterans the right to purchase a home under their GI bill of rights at any time before July 26, 1971, and by Korea conflict veterans any time before February 1, 1975.

Such legislation, I feel, is eminently fair and would restore to this group of veterans the opportunity to replace homes originally lost either through purchase or through imminent domain by our Federal, State, or local governments.

It is my hope that my fellow Members of the Congress will agree with me that such legislation deserves favorable consideration by the Congress.

## RING OUT THE BELLS

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

Mr. KUYKENDALL. Mr. Speaker, tomorrow afternoon the whole world will set up a cheer as three brave Americans return home from man's first round-trip journey to the moon.

In order to mark this once-in-civilization event, the city of Memphis, Tenn., will mark the moment of the splashdown by ringing all the church bells in our community. Not only will the bells ring out the joyous news, but they will emphasize our thanks to God for the success of the project and its significance for all mankind. The ringing of the church bells will emphasize, once again, the strong spiritual base upon which our Nation and its achievements are founded.

I hope that other cities across the land may follow the example of Memphis and from sea to shining sea there will be a great clamor as the bells ring out, "Welcome home, our thanks be to God from whom all blessings flow."

## COMMUNICATION FROM THE CHAIRMAN OF THE COMMITTEE ON AGRICULTURE

The SPEAKER laid before the House the following communication from the chairman of the Committee on Agriculture; which was read and, together with the accompanying papers, referred to the Committee on Appropriations:

JULY 22, 1969.

Hon. JOHN W. MCCORMACK,
*Speaker of the House of Representatives, Washington, D.C.*

DEAR MR. SPEAKER: Pursuant to the provisions of section 2 of the Watershed Protection and Flood Prevention Act, as amended, the Committee on Agriculture today considered and unanimously approved the work plans transmitted to you by Executive Communication and referred to this Committee. The work plans involved are:

Big Slough, Georgia, Executive communication 893, 91st Congress.

Carpinteria Valley, California, Executive communication, 893, 91st Congress.

Chatlin Lake Canal, Louisiana, Executive communication 893, 91st Congress.

Cottonwood Creek, Wyoming, Executive communication 893, 91st Congress.

Dunloup Creek, West Virginia, Executive communication 893, 91st Congress.

Fredonia, Arizona, Executive communication 893, 91st Congress.

Mud Creek, Tennessee, Executive communication 893, 91st Congress.

Poinsett, Arkansas, Executive communication 893, 91st Congress.

Roberson Creek, Mississippi, Executive communication 893, 91st Congress.

Rock Creek (Cass), Indiana, Executive communication 893, 91st Congress.

Walnut-Roundaway, Louisiana, Executive communication 893, 91st Congress.

Yours sincerely,

W. R. POAGE,
*Chairman.*

## CONTINUING EXISTING SUSPENSION OF DUTY ON CERTAIN COPYING SHOE LATHES

Mr. MILLS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 5833) to continue until the close of June 30, 1972, the existing suspension of duty on certain copying shoe lathes, with Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, after line 9, insert:

"SEC. 8. (a) Section 1903(e) of the Social Security Act is amended (1) by striking '1975' and inserting in lieu thereof '1977'.

"(b) The provisions of section 1903(e) of the Social Security Act shall not apply for any period prior to July 1, 1971. In performing his functions under title XIX of the Social Security Act, the Secretary of Health, Education, and Welfare shall issue regulations and give advice to the States consistent with the preceding sentence.

"(c) Section 1902(c) of the Social Security Act is amended by striking out 'aid or assistance (other than so much of the aid or assistance as is provided for under the plan of the State approved under this title)' and inserting in lieu thereof 'aid or assistance in the form of money payments (other than so much, if any, of the aid or assistance in such form as was, immediately prior to the effective date of the State plan under this title, attributable to medical needs)'.

"(d) Section 1902 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"'(d) Whenever any State desires a modification of the State plan for medical assistance so as to reduce the scope or extent of the care and services provided as medical assistance under such plan, or to terminate any of such care and services, the Secretary shall, upon application of the State, approve any such modification if the Governor of such State certifies to the Secretary that—

"'(1) the average quarterly amount of non-Federal funds expended in providing medical assistance under the plan for any consecutive four-quarter period after the quarter in which such modification takes effect will not be less than the average quarterly amount of such funds expended in providing such assistance for the four-quarter period which immediately precedes the quarter in which such modification is to become effective,

"'(2) the State is fully complying with the provisions of its State plan (relating to control of utilization and costs of services) which are included therein pursuant to the requirements of subsection (a)(30), and

"'(3) the modification is not made for the purpose of increasing the standard or other formula for determining payments for those types of care or services which, after such modification, are provided under the State plan,

and if the Secretary finds that the State is complying with the provisions of its State plan referred to in clause (2); except that

nothing in this subsection shall be construed to authorize any modification in the State plan of any State which would terminate the care or services required to be included pursuant to subsection (a)(13). Any increase in the formula or other standard for determining payments for those types of care or services which, after such modification, are provided under the State plan shall be made only after approval thereof by the Secretary.'"

The SPEAKER. Is there objection to the request of the gentleman from Arkansas (Mr. MILLS)?

Mr. BYRNES of Wisconsin. Mr. Speaker, reserving the right to object, I do not intend to continue the objection except for the purpose of asking the gentleman from Arkansas to make an explanation of the Senate amendment, and then be able to answer any inquiries that other Members of the House may have with respect to the amendment to the legislation, and I yield to the gentleman from Arkansas.

Mr. MILLS. I thank the gentleman for yielding.

Mr. Speaker, the provisions of H.R. 5833 as it passed the House were not changed in any way. The Senate amended the bill by adding three amendments to title XIX of the Social Security Act which provides grants to the States for medical assistance programs.

The first of these amendments would suspend the application of section 1903(e) of the act which requires the States to have in operation comprehensive medical assistance programs by July 1, 1975. Under the Senate amendment, this provision would be suspended in application until July 1, 1971. This means that the States would not be required to take any action pursuant to the requirements of section 1903(e) prior to that time. In addition, the Senate amendment would postpone the date when the comprehensive care requirement would finally apply from July 1, 1975, until July 1, 1977.

Mr. Speaker, section 1903(e) has been of concern to many States in considering whether or not they should establish a medical assistance program. There has been some question since this provision was enacted as to just what it requires of the States.

The amendment adopted by the Senate provides an opportunity for the Congress to further consider the type of requirement of this nature which should be in the law and if necessary to modify the requirement, to take into account the experiences that have been gained so far under the medical assistance program.

The second Senate amendment relates to section 1902(c) of the Social Security Act. This amendment is more in the nature of a clarification of original congressional intent than a modification of the provisions of the section.

Section 1920(c) of the law states that the Secretary of Health, Education, and Welfare shall not approve a State program for medical assistance if he determines that the plan will result in a reduction in aid or assistance provided for individuals on public assistance prior to the adoption of the State's title XIX plan. The Department of Health, Education, and Welfare has interpreted this section to mean that a State could not adopt a title XIX program providing less in the way of medical benefits for public assistance recipients than were provided prior to that time in the form of medical vendor payments for any cash assistance recipients. This was not the intention of section 1902(c). As spelled out in the 1965 House and Senate committee reports on this legislation, the intention of this section of the law was to prohibit the States from reducing cash payments to public assistance recipients at the time they adopted their title XIX plans, and diverting the funds to pay for medical care.

This intention was clearly stated in the following language from the House Report on the 1965 amendments:

In addition, the Secretary is directed not to approve any State plan for medical assistance if he finds that the approval and operation of the plan will result in a reduction in the level of aid or assistance provided for eligible individuals under title I, IV, X, XIV, or XVI. An exception is provided allowing States to reduce such aid to the extent that assistance now provided under titles I, IV, IX, XIV, and XVI is to be provided under title XIX. The reason your committee recommends the inclusion of this provision is to make certain that States do not divert funds from the provision of basic maintenance to the provision of medical care. If the Secretary should find that his approval of a title XIX plan would result in a reduction of aid or assistance for persons receiving basic maintenance under the public assistance titles of the Social Security Act (except as specified above) he may not approve such a plan under title XIX. Your committee recognizes the need and urgency for States to maintain, if not improve, the level of basic maintenance provided for needy people under the public assistance programs. The provision is intended to prevent any unwarranted diversion of funds from basis maintenance to medical care.

The amendment adopted by the Senate clearly spells out this intention in section 1902(c) of the act.

The third amendment adopted by the Senate would add a new provision to title XIX in the form of section 1902(d) which would require that whenever a State desires to reduce the scope or extent of care and services provided under its medical assistance plan, such modification must be obtained on the basis of an application submitted by the Governor of the State and approved by the Secretary of Health, Education, and Welfare. In such cases, the Governor of the State would be required to certify with respect to three important matters.

First, he would have to certify that the amount of funds expended in providing medical assistance from State and local sources in the year after such modification takes effect is not less than the amount of such funds expended in the year prior to the quarter in which such modification is to become effective.

Second, the Governor of such State must certify that the State is fully complying with the provisions of its State plan relating to control of utilization and costs of services. The Secretary of Health, Education, and Welfare would also be required to make a specific finding that the State is complying with its plan requirements concerning utilization and costs.

Third, the Governor must certify that the modification is not made for the purpose of increasing the standards for determining payment to doctors, nursing homes and other providers of services under the State plan. Provision is made in the amendment, however, that if there is a demonstrated need to increase the formula or standard for determining payments under a State plan after a modification has been adopted in the State's plan, such increases may be provided but they shall be made only after the approval of the Secretary of Health, Education, and Welfare has been obtained.

Mr. Speaker, these three amendments are very pertinent to the concern of Congress over the sharp and unanticipated increases in the cost of operating the medicaid program. They do not constitute a retrenchment in the medicaid program, but they will allow the States great freedom in determining the dimensions of their own programs in the light of their own individual needs and resources.

These amendments were adopted on the Senate floor without opposition. The first two of these amendments had earlier met with some opposition in the Senate and had held up action on the bill for a number of days. The third amendment which was added to the bill after it was reported out of the Finance Committee, however, along with a modification of the amendment to section 1903(e) gained complete support for the entire set of amendments from those Senators who had opposed the amendments as they had been reported.

I urge that the House accept the Senate amendments.

Mr. BURTON of California. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from California.

Mr. BURTON of California. Mr. Speaker, I had intended to reserve my right to object, so I could make a few points with reference to the pending matter, but I will accept the time yielded to me by the gentleman from Wisconsin to achieve the same objective.

Title XIX, when enacted, provided a meaningful hope for the American people that comprehensive medical care would someday soon become reality. Also of importance, it provided a mechanism to obtain meaningful data for all of us to weigh when we consider to what extent we should move ahead to provide comprehensive medical care under the social security mechanism.

I must respectfully completely disagree with the view of our very distinguished chairman of the Committee on Ways and Means with reference to the second amendment relating to section 1902(c). The amendment before us will not be a clarification of the original intent of Congress with respect to the States being required to maintain not only their level of cash benefits, but, more importantly in the health field, the level of health services provided to public assistance recipients.

The fact of the matter is that when title XIX was approved there was the dual requirement on the States to main-

tain effort both on the cash side as well as on the health side to public assistance recipients.

The modification proposed by the Senate eliminates the requirement that States must comply with meeting their preexisting level of health services in order for their title XIX plan to be adopted. This is a step backward in terms of the health care that we require the States to provide in order to receive Federal funding under title XIX. Its significance is not so much today as it will become if we are ever to reach the triggering date of 1975 wherein State plans were supposed to be comprehensive in terms of providing health services.

So we have here two interrelated amendments. I do not like, but understand, the background that led up to the other amendment providing a delay for 2 years, from 1975 to 1977, to give the States further time to comply with the requirement in the law that there be comprehensive medical care and services.

If this matter were subject to a rollcall, I would vote against it. I believe the realities of the situation are that this is reasonably well considered, but nonetheless clearly a step backward in terms of our meeting the national objective to provide comprehensive medical care to the American people.

I would hope that we will not find ourselves in future sessions agreeing to further retrenchment and relaxation of the objectives to provide comprehensive medical care for the American people, at least through the mechanism provided under title XIX, by 1977.

I thank the distinguished gentleman from Wisconsin for yielding this portion of his time to me.

Mr. BYRNES of Wisconsin. Mr. Speaker, I withdraw my reservation.

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

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

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## CIVIL SERVICE RETIREMENT FINANCING AND BENEFITS

Mr. DELANEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 380 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 380

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 9825) to amend subchapter III of chapter 83 of title 5, United States Code, relating to civil service retirement, and for other purposes, and all points of order against section 103 of said bill are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Post Office and Civil Service, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from New York is recognized for 1 hour.

Mr. DELANEY. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio (Mr. LATTA), pending which I yield myself such time as I may consume.

Mr. Speaker, the purpose of this bill is to save the civil service retirement fund. If it were to drift the way it has been going, by 1975 the outgo would exceed the income.

This legislation is long overdue.

The rule provides the waiving of points of order on section 103, an open rule with 2 hours of general debate.

The purpose of the bill is to improve the financing and funding practices of the civil service retirement system so as to maintain its soundness and to assure that the necessary moneys are available when needed to pay the annuities of our Government retirees and survivors' annuities in the full amount.

It is also the purpose of this legislation to provide certain limited but needed improvements in the benefit structures of the system within the limits of the new financing approach.

The waiver of points of order, of course, is a restriction of the power to report appropriations. There are two sections which I will refer to of this bill. The first section is on page 5 of H.R. 9825, beginning on line 9, where it is stated that the civil service retirement and disability fund is appropriated for the payment of benefits and administrative expenses and is made available subject to the annual limitation by the Congress for the expenses incurred in connection with the administration of the retirement and annuity statutes. Then further on, on page 6, beginning at line 17, a new subsection of section 8348 requires the Secretary of the Treasury to credit annually the civil service retirement and disability fund as a Government contribution in an amount of money equal to a specific percentage of the amount of interest on the unfunded liability of the fund.

It is clear, therefore, that this waiver is necessary on section 103 so that the heart of the bill not be destroyed by a point of order.

Mr. Speaker, a great deal of study has been put into the revision of this retirement fund. It has been put off year after year until now we are down to a point where we are near a crisis. The bill has been covered in the committee hearings and will be covered on all points during debate. It is long overdue, and I urge adoption of this rule so that we can get to the consideration of the bill.

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

Mr. DELANEY. I am glad to yield to the gentleman from Missouri.

Mr. HALL. Did I understand the gentleman to state in his preliminary remarks that the waiver of points of order also applied to section 102?

Mr. DELANEY. No. Section 103.

Mr. HALL. I thank the gentleman for that clarification. I obviously misunderstood him. I listened with unusual attention to his subsequent explanation of the waiver of points of order pertaining to section 103. I disapprove heartily of a waiver of points of order even under such a circumstance. I think the individually elected Members should not be precluded from their elected responsibilties by even the distinguished Committee on Rules waiving such points of order, but in line with the new policy of the Committee on Rules wherein the distinguished gentleman from New York has explained on a line-by-line basis everything within the bill applicable thereto, I, for one, wish to state that I appreciate this method. I recognize the inevitable in House Resolution 380, and compliment the gentleman.

Mr. Speaker, I appreciate the gentleman yielding to me.

Mr. DELANEY. I thank the gentleman.

I yield back the balance of my time.

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

Mr. Speaker, the main purpose of the bill is to increase the current funding provisions of the retirement system to assure that the necessary money will be available to pay beneficiaries. The bill also improves some of the benefits now existing.

The retirement fund is in trouble unless something is done. While Federal employees have fully met their share of the cost, the Government has not met its obligations. By the end of the fiscal year the deficiency of the fund will amount to about $57,700,000,000 in unfunded future obligations. By 1975, as fund disbursements exceed income paid in annually, a serious problem will arise. It is estimated that by 1987 the current $20,500,000,000 fund will be exhausted. To forestall such a result, the unfunded liability, resulting from the Government's arrears in making payments to the fund must be reduced and finally eliminated.

The bill will increase the employee-employer contribution from 6½ percent each to 7 percent. Congressional employees will have their contribution rate increased to 7½ percent, the same as Members. These increases become effective in January 1970.

The existing unfunded liability is to be eliminated over a 30-year period by payment of annual installments by the Government. Permanent appropriating authority language is contained in the bill. Beginning in 1971 payments will begin from the Treasury to reduce the unfunded liability now existing and the interest thereon. The committee believes this system of payments will insure a sound, healthy retirement system for civil service employees.

Title II of the bill improves several of the benefits now available. These are more than covered by the increase in contributions.

First, the current formula for arriving at a retiree's annuity is modified. Now, it is based on a high 5-year average. This

has caused some to remain on the job longer than they should. The new base period will be a high 3-year average.

For congressional employees the 15-year period upon which to apply the year average rate is removed.

Unused sick leave is recompensed by increasing the total actual work service credited to an employee by the length of service represented by the calendar value of his unused sick leave. One calendar month will be added for each 22 days of unused leave.

The cost-of-living automatic increase for annuitants is increased by adding 1 percent to all such future increases.

It is estimated that the 1-percent increase in contributions will increase fund income to $220,000,000 per year, which covers both normal costs and the benefits increased by the bill. It is also estimated that by 1980 the amount to be transferred by the Treasury to the fund to cover the interest on the unfunded liability will be about $2,700,000,000 annually. This figure is to be reached in 10-percent increments during the 1970's until full annual funding is achieved in 1980.

The administration supports the bill.

A waiver of points of order is needed for two sections of the bill as in two places appropriation language is provided for the Government-funding provisions. These occurs on page 5, lines 18 to 22, and page 6, lines 17 to 25, and page 7, lines 1 to 7. Both of these sections violate rule XXI, clause 4, which prohibits appropriation language to be in a bill not reported by the Appropriations Committee.

Mr. Speaker, I yield 3 minutes to the gentleman from Iowa (Mr. GROSS).

Mr. GROSS. Mr. Speaker, I doubt that there is a Member of Congress, either in the House or the other body, who does not want to do something about the chaotic condition of the Government employees' retirement fund, but what has happened is that this bill has been converted into a Christmas tree with a lot of tinsel and ornaments—something for everybody—especially the Members of Congress.

I propose to make a further statement under general debate, but I would like at this point to read a letter which I received this morning from the Executive Office of the President, Bureau of the Budget:

DEAR MR. GROSS: This is in response to your letter of July 15, 1969, in which you asked whether the Bureau of the Budget would recommend to the President that he approve H.R. 9825 if it were enacted in its current form. Title I of H.R. 9825 would provide for full funding of the Civil Service retirement system and Title II would provide a number of benefit liberalizations.

In our letter of March 16, 1969, to the Chairman of the House Post Office and Civil Service Committee, we stated that "retirement legislation enacted this year should be confined to improving the financing and funding of the retirement system. . . ." In addition, in our report of July 10 to the Chairman of the Senate Post Office and Civil Service Committee, we stated that enactment of the liberalizations contained in Title II would not be consistent with the Administration's objectives and that the Congress should limit its action this year to enactment of the Title I financing provisions.

We believe the Administration's position on H.R. 9825 is clear. Thus, in view of the legislative history, the Bureau of the Budget would have to seriously consider recommending to the President that he disapprove H.R. 9825 if it were passed by the Congress in its current form.

Sincerely,

ROBERT P. MAYO,
*Director.*

Mr. Speaker, let me repeat:

We believe the Administration's position on H.R. 9825 is clear. Thus, in view of the legislative history, the Bureau of the Budget would have to seriously consider recommending to the President that he disapprove H.R. 9825 if it were passed by the Congress in its current form.

Mr. Speaker, I propose at the proper time to offer an amendment to strike title II from the bill. In that event I can support it. I am not opposed to the rule for, as I said previously, we do something about the chaotic condition of the retirement fund, but that does not mean that to accomplish that end it is necessary for us to stage another unwarranted raid on the Federal Treasury.

Mr. Speaker, I yield back the balance of my time.

Mr. LATTA. Mr. Speaker, I yield 5 minutes to the gentleman from Nebraska (Mr. MARTIN).

Mr. MARTIN. Mr. Speaker, we have before us a bill today which is in two sections. Title I of the bill I approve of heartily, because it would result in fiscal responsibility in the operation of our civil service retirement system and put it on a sound basis, but on the other hand title II offsets the benefits derived from title I of the legislation, because it increases the liability under its provisions to the tune of $3.7 billion.

Mr. Speaker, I would like to quote from the report on page 28 in a letter from the U.S. Civil Service Commission, written by Mr. Robert E. Hampton, and I quote from that letter:

Title II would liberalize existing benefits in the following ways:

1. Gross earnings, rather than basic pay, would be used in determining retirement benefits and deductions.

2. Average salary for annuity computation purposes would be determined on the basis of 3 rather than 5 years.

3. Unused sick leave would be added to the actual length of service in computing annuities.

4. An extra 1 percent would be added to each annuity increase resulting from changes in the Consumer Price Index.

And I quote further:

In summary, if the bill is amended to delete those financing provisions which we consider unnecessary and to delete the liberalizing amendments proposed in title II, we strongly urge enactment of H.R. 770.

Now, Mr. Speaker, I would like to quote from the letter to the chairman of the committee from the Executive Office of the President, Bureau of the Budget, written by Mr. Wilfred H. Rommel:

Title II of H.R. 770—

And that H.R. 770 was the original bill sent down to the Department—

Title II of H.R. 770 would provide a number of liberalizations primarily designed to enhance the value of annuities earned by long-service employees. In the aggregate, they would have the effect of increasing the unfunded liability by more than $3.7 billion. We believe it would be incongruous to include in a bill designed to halt the growth of the unfunded liability of the retirement system, provisions which would of themselves increase the existing unfunded liability by more than 6 percent.

And I quote further:

Therefore, we recommend that the liberalizations contained in title II be deleted.

Mr. Speaker, the Congress has set a limitation on expenditures for the fiscal year 1970 by the executive branch of the Government and here we are in legislation proposing today under title II to increase further the cost of the operation of our Federal Government.

Title II will probably pass the Congress today, but it seems to me the height of irresponsibility to propose setting this fund up on a fiscally sound basis, and then on the other hand in title II to eliminate the good that is being done by the provisions of title I.

I would like to direct a question to the chairman of the committee, the gentleman from New York (Mr. DULSKI).

In the Rules Committee hearing I asked the question whether there would be any changes in the retirement for Members of Congress and the answer, as I recall it, was that the 7½ percent currently taken out of our pay checks would remain the same; is that correct?

Mr. DULSKI. That is correct.

Mr. MARTIN. The bill last year increased that one-half of 1 percent—but this remains the same?

Mr. DULSKI. That is correct.

Mr. MARTIN. Let me ask one other question of the chairman of the committee.

In reducing the basis for retirement from the high 5 years to 3 years, would this apply to the retirement of Members of Congress as well as civil service employees?

Mr. DULSKI. Yes, it would.

Mr. MARTIN. It would apply to Members of Congress as well?

Mr. DULSKI. Yes, it would.

Mr. MARTIN, Mr. Speaker, I am also opposed to that, because it increases benefits without any increase in the amount paid in.

Mr. DANIELS of New Jersey. Mr. Speaker, will the gentleman yield?

Mr. MARTIN. I am glad to yield to the gentleman from New Jersey.

Mr. DANIELS of New Jersey. The gentleman made a statement referring to the report of the Bureau of the Budget in which he stated that the bill would add over $3 billion to the unfunded liability.

I believe that report had reference to the bill, H.R. 770, which was the bill I originally introduced on the opening day of this Congress. Do you know there is a substantial difference in one important feature of H.R. 770 and the bill, H.R. 9825, the bill presently under discussion?

Do you not know that the bill, H.R. 9825, does not include provisions as included in the bill, H.R. 770, relating to the inclusion of overtime, premium and differential pay of employees as basic pay for retirement purposes? Because that particular provision would cost over $2½ billion, in the judgment of our com-

mittee, we deleted that and it is not included in the bill, H.R. 9825, the bill we are presently considering.

Mr. MARTIN. I would like to ask the gentleman why he did not——

Mr. DANIELS of New Jersey. If I may have the gentleman's attention, I will tell you exactly what the increase——

Mr. MARTIN. I will not yield further to the gentleman to make a speech. He can do that on his own time.

Mr. DANIELS of New Jersey. I am going to make a speech later.

Mr. MARTIN. I would like to ask the gentleman a question: Why were not the departments downtown requested to give their opinions on the bill which we have before us instead of the bill which you introduced last January, and why were not their letters included in this report?

Mr. DANIELS of New Jersey. Representatives of the departments appeared before the committee.

Mr. MARTIN. That does not answer my question. Why did you not have letters from the departments that would pertain to the legislation we have before us instead of some other bill that was not reported out by your committee?

Mr. DANIELS of New Jersey. This is a clean bill, sir.

Mr. MARTIN. This does not look like a very clean bill to me. The committee has the responsibility to write a report and include letters from the proper bureaus which accurately reflect their thinking on the bill before us. I note that the two letters from which I quoted, were written last March 19, although the letter from the Bureau of the Budget shows March 19, 1968.

I yield back the balance of my time.

Mr. DELANEY. Mr. Speaker, I have no further requests for time.

Mr. Speaker, I move the previous question on the resolution.

The previous question as ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. DULSKI. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 9825) to amend subchapter III of chapter 83 of title 5, United States Code, relating to civil service retirement, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from New York.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 9825, with Mr. MCFALL in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from New York (Mr. DULSKI) will be recognized for 1 hour, and the gentleman from Pennsylvania (Mr. CORBETT) will be recognized for 1 hour.

The Chair recognizes the gentleman from New York.

Mr. DULSKI. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, before yielding to the chairman of the Retirement Subcommittee, the gentleman from New Jersey (Mr. DANIELS), I will say that the bill before us is a special tribute to him and every member of his subcommittee, as well as the fine bipartisan support given by the minority side of the committee.

This landmark legislation has been carefully worked out through diligent and unceasing effort over a period of 2 years. It has been developed, refined, and tested through hearings, conferences, and executive deliberations that were among the most intensive in the history of our committee.

H.R. 9825 achieves a delicate, yet ideal, balance—a balance that should not be disturbed—in coupling together long-overdue retirement financing and a very moderate updating of the benefit structure—the first major benefit changes in 13 years.

Mr. Chairman, I urge my colleagues to give this excellent bill the overwhelming approval it so richly deserves.

I yield 15 minutes to the gentleman from New Jersey (Mr. DANIELS), the chairman of the subcommittee.

The CHAIRMAN. The gentleman from New Jersey is recognized for 15 minutes.

Mr. DANIELS of New Jersey. Mr. Chairman, I rise to urge my colleagues on both sides of the aisle, Democrats and Republicans, to give their strong support to the legislation before you today, H.R. 9825, the major purpose of which is to improve the financing and funding practices of the civil service retirement system, and to provide certain limited, but needed, improvements in the benefits structure of the system within the framework of the new financing approach.

It is a good bill, a sound bill, and the product of many months of intense work, study and consideration by the House Subcommittee on Retirement, Insurance, and Health Benefits in conducting extensive public hearings, executive sessions, and conferences with official representatives of agencies of the legislative and executive branches; namely, the Honorable Robert E. Hampton, the present Chairman of the U.S. Civil Service Commission; the Honorable John W. Macy, J., the former Chairman of the U.S. Civil Service Commission; the Honorable Philip S. Hughes, Deputy Director of the Bureau of the Budget; the Honorable Elmer B. Staats, Comptroller General of the United States, and others.

This three-pronged financing approach—dealing with normal cost, future unfunded liabilities, and the present unfunded liability—contains the recommendations, the unanimous recommendations, of the honorable gentlemen whose names I just mentioned. Also, I think the Members of this House should know that this bill was cosponsored by 25 Members, 24 of whom serve on the Committee on Post Office and Civil Service; that an identical bill, H.R. 10219, has been cosponsored by 14 other Members, several of whom previously served on the committee; and that all of the members of the Subcommittee on Independent Offices Appropriations cosponsored a bill embodying the basic financing proposals contained therein, H.R. 8608. It is worthy of note, also, that H.R. 9825 was reported favorably by the Subcommittee on Retirement, Insurance, and Health Benefits and the full Committee on Post Office and Civil Service without a dissenting vote. Of further significance is the fact that Senate bill S. 2326, which is identical to this legislation, and introduced by the chairman of the Senate Committee on Post Office and Civil Service, Senator MCGEE, was the subject of public hearings by the Senate Retirement Subcommittee on July 10 and 11.

Therefore, H.R. 9825 is the product of the common effort of the officials of the Civil Service Commission, the Bureau of the Budget, the General Accounting Office, and by the members of the Retirement Subcommittee whose devoted attention and energies have been directed to a most involved and complex subject.

This body demonstrated its concern for the financial integrity of the civil service retirement program in the last Congress by passing a similar measure, H.R. 17682. While the bill was passed on October 1, 1968, unfortunately, time did not permit the Senate to act thereon.

I want to publicly commend the members of the subcommittee, our ranking majority and minority members—the gentleman from North Carolina, Congressman HENDERSON, and the gentleman from Virginia, Congressman SCOTT—and the chairman and ranking minority member of the full committee, Congressmen DULSKI and CORBETT, for their tireless efforts and contributions toward the development of a good and sound piece of legislation, H.R. 9825.

The Committee on Post Office and Civil Service believes that the civil service retirement system is one of its most important responsibilities. It is an essential part of a modern employment system designed to attract and retain employees of the caliber to conduct the complex business of government. It contributes importantly to the financial security of millions of past, present, and future Federal employees and their dependents. There should never exist the slightest doubt of the system's ability to meet its commitments to these people.

The results of an in-depth study conducted by our standing Subcommittee on Retirement, Insurance, and Health Benefits over an extended period of time most assuredly attest to the fact that any doubt which exists as to the system's ability to meet future commitments is attributable to funding practices which have been grossly inadequate since the program's very inception in 1920.

Federal employees have always contributed the full amount set by law. While the Government has contributed substantial amounts to the trust fund, it has failed to appropriate regularly and systematically, on a concurrent basis, sufficient funds to meet the ultimate cost not covered by employees' contributions.

Retirement system financing has been a problem of continuing concern to the Congress, to its respective committees, and to officials of the executive branch. The history of actuarial reports has indicated successively for a long time past

an increasingly pessimistic view with respect to actuarial costs and liabilities under the escalating benefits and other liberalizations in the specifics of the retirement programs. In past years, several methods for determining appropriations to meet the Government's obligation to the system have been considered, and some have been adopted. However, the attitudes of various administrations, Congresses, and respective congressional committees has changed from time to time, but facing the problem realistically has been long delayed.

At the end of the fiscal year 1969 the unfunded liability of the system approached $57.7 billion. Full implementation of the 1967 salary statute in the fiscal year 1970, beginning this month, is expected to increase that deficiency to $61.1 billion. Under present financing practices, the unfunded liability will continue to grow by more than $2 billion every year, sometimes much more. By 1975 the disbursements will begin to exceed annual income of $3.8 billion. Thereafter disbursements will continue to escalate appreciably under a relatively static income, and result in a declining fund balance. Consequently, to meet benefit payments, all disbursements in excess of current income will have to be met from the fund balance. Without additional funding, that balance will be totally exhausted by 1987. Immediately thereafter, disbursements will exceed income by $3½ billion, and will require direct appropriations to meet benefit payments.

During ensuing years, progressively higher amounts would be required until, at the turn of the century, the necessary direct appropriations will approach $5 billion. These substantial sums, it is emphasized, will be an addition to the approximate $3½ billion income received by the trust funds from then active employee and agency contributions.

The historical pattern of employee-employer contributions to the retirement fund supports the conclusion that deficiencies—that is, accrued liability for which contributions to the fund have not been made—are the responsibility of the Government as the employer. The major causes of such deficiencies have been:

First. Creditable service for which neither the employee nor the employer contributed—such as free credit for military service, and for Federal civilian service during which the employee was not currently subject to the program.

Second. General wage increases which result in benefits based on a higher pattern of salaries than that upon which at least a portion of contributions is based.

Third. Liberalizations applying to benefits based on past and/or future service without a commensurate increase in contributions.

Fourth. Loss of compounded interest income which would have been earned if the accrued liability had been fully funded.

The Committee on Post Office and Civil Service feels strongly that, in furtherance of the objective of prudent management of the Government's financial affairs, it is important that Congress provide a definite plan to improve the system's financing.

The major purpose of the legislation is to improve funding practices so as to maintain confidence in the soundness of the Civil Service Retirement and Disability fund, and to assure that the necessary money is available when needed to pay the annuities of Federal retirees and survivor annuitants—in full and on time. The legislation also provides certain limited, but needed, improvements in the benefit structure of the program within the limits of the new financing approach.

The bill contains a three-pronged approach, as follows:

First. Normal cost financing through equal employee-agency contributions is retained. Because of the inadequacy of current contributions, implementation of normal cost financing of the existing benefit structure—including the legislation contained in title II—requires an immediate 1-percent increase in the combined contribution rate from 13 to 14 percent of payroll, in the case of employees, and from 13 to 15 percent of payroll in the case of congressional employees, effective in January 1970.

Second. The costs of future incremental unfunded liabilities which will result from benefit liberalizations for the active work force are to be fully financed by the Government through direct appropriations to the fund, in equal annual installments, over 30-year periods.

Third. Direct appropriations, under permanent indefinite authority, will be made to meet the Government's obligation for the presently increasing unfunded liability which arises from legislation already enacted, including that created in title II of this legislation, in amounts equivalent to interest on the future accrued deficiencies. This responsibility will be fulfilled by transfers of moneys from the Treasury, beginning on a modest scale in 1971 and progressively increasing by 10 percent each subsequent year. In 1980 and thereafter, the amounts will equal the full equivalent of interest on the unfunded liability.

In the committee's judgment, this approach, while somewhat new in concept and mechanics, is sound and will accomplish the desired results by providing in full for the permanent financing of the civil service retirement system.

The legislation also provides for these limited improvements and remedies in certain areas of the benefit structure of the retirement program:

First. Annuities of employees and Members would be computed upon the average of the 3 highest years of earnings, in lieu of the existing provision of computing benefits upon the 5 high years of average pay.

Second. The 15-year limitation imposed under the congressional employee computation formula would be remedied by removal of such limitation.

Third. A new provision would be incorporated into the program to include for service computation purposes the value of unused sick leave to the credit of an employee upon death in or retirement from Federal employment; thus, allowing credit of one additional month of service for each 22 days of accrued sick leave in computing his annuity, or that of his surviving spouse.

Fourth. An additional 1 percent would be added to future cost-of-living adjustments payable to retirees and survivor-annuitants, so as to compensate for the 5-month waiting period which elapses between the Consumer Price Index attaining a rise of 3 percent and the eventual belated payment of the annuity increase.

Fifth. The remarriage provisions of present law with respect to the surviving spouses of the active work force would be extended to any surviving spouse whose remarriage occurs on or after July 18, 1966, the date that existing law was so amended.

Mr. Speaker, these minimal changes provided by title II of this legislation are attainable within the framework of the increased normal cost and incremental financing provisions of title I of the bill. The normal cost of present benefits, 13.86 percent of payroll, would be increased by thirteen one-hundredths of 1 percent, to 13.99 percent of payroll. The combined agency-employee contributions of 14 percent required by title I will not only cover those present benefits which are underfinanced by eighty-six one-hundredths of 1 percent, but the thirteen one-hundredths of 1 percent of those normal cost items provided herein. The additional unfunded liability incurred by all of title II will be stabilized by the payment of interest thereon, under the permanent-indefinite appropriations authority provided in title I.

Mr. Speaker, the magnitude of the problem of retirement financing is such that it is imperative that Congress take action toward a prompt and positive solution. While the budgetary impact of this legislation will be sudden and sharp, it will, nevertheless, be far less drastic than if present financing practices continue unchanged.

In view of the urgency to enact a definite program of action to insure the system's ability to fulfill its future obligations, I strongly urge the adoption of H.R. 9825, without amendment.

Mr. CORBETT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this is not only a good bill but, title I of the bill is an absolute must.

Mr. Chairman, if we do not properly finance this retirement program, we as a Congress are going to be in serious trouble come 1975 when the payments out of the fund are expected to exceed payments into the fund. And, by approximately 1987 the fund could be without any reserves whatsoever. So, I simply believe that there is no argument possible regarding title I. We simply have to pay the bill. We have ordered the meal and have consumed it. Now the check has come.

As a matter of fact, in approximate figures, we estimate that every day that this bill is not enacted into law is costing the fund $500,000—$500,000 a day. Therefore, it becomes increasingly clear that we have to have this part of the bill.

Now, then, regarding title II, there are those who raise some sincere objections

to it. To these objections we can only say that if we are going to charge our employees one-half of 1 percent more of their salaries, they are entitled to any benefits for which their money pays.

Now, then, very definitely the amount of money which will be coming into the fund, new money, will more than offset the cost of the additional benefits that are provided for in the bill. As the gentleman from New Jersey (Mr. DANIELS) pointed out, the most costly benefit that might have been included was stricken from the proposal. Consequently, this bill provides for an actuarially sound program and should, as the gentleman says, be adopted without amendment.

I think it only fair to say also that if title II is continued in this bill without change, I propose and shall offer a recommittal motion to require that the Members pay 8 percent instead of their present 7½ percent.

I noticed on the news sheet being circulated in the cloak room yesterday that the business of the House today was to liberalize employee's and congressional pensions. This is absolutely misleading.

This bill is primarily to properly fund the retirement program, and only very incidentally to improve the ultimate annuities. Consequently, I join in congratulating the members of this subcommittee for the fine job they have done, and I join with most of them, if not all, in urging that the bill be passed as it came from committee. It is complicated and involved, and in the event that we start mixing up certain phases of it we are apt to get the whole thing out of balance.

So, Mr. Chairman, with that admonition to the House that we pass this bill, I will conclude my remarks.

Mr. Chairman, at this time I yield 15 minutes to the ranking minority member of the subcommittee, the gentleman from Virginia (Mr. SCOTT), who worked on this bill with the Congressman from New Jersey (Mr. DANIELS).

Mr. HALL. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 117]

| | | |
|---|---|---|
| Adams | Hanna | Ottinger |
| Anderson, Tenn. | Hansen, Idaho | Patman |
| | Hansen, Wash. | Powell |
| Ashley | Harsha | Preyer, N.C. |
| Baring | Hastings | Price, Ill. |
| Belcher | Hawkins | Purcell |
| Biaggi | Hébert | Randall |
| Boland | Henderson | Reid, N.Y. |
| Brock | Horton | Riegle |
| Brooks | Howard | Sebelius |
| Brown, Ohio | Joelson | Sisk |
| Broyhill, Va. | Kastenmeier | Staggers |
| Carey | Kirwan | Stanton |
| Clark | Landrum | Stephens |
| Clay | Lipscomb | Stratton |
| Conte | Long, La. | Taylor |
| Culver | McCarthy | Teague, Calif. |
| Daniel, Va. | McClory | Teague, Tex. |
| Davis, Ga. | MacGregor | Thompson, N.J. |
| Diggs | Mann | Udall |
| Evins, Tenn. | Mayne | Weicker |
| Feighan | Mollohan | Widnall |
| Flynt | Moorhead | Wilson, Bob |
| Fountain | Murphy, N.Y. | Winn |
| Frey | O'Konski | Wolff |
| Fuqua | O'Neal, Ga. | Wydler |
| Goldwater | O'Neill, Mass. | |

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MCFALL, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 9825, and finding itself without a quorum, he had directed the roll to be called, when 353 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. At the time of the quorum call, the gentleman from Virginia (Mr. SCOTT) had been recognized for 15 minutes.

Mr. SCOTT. Mr. Chairman, I rise in support of H.R. 9825. In my opinion, it is a much better bill than that approved by the House last year. In this bill, the Congress retains control over the setting of contributions to the civil service retirement fund by both the Government and the employee. Under the measure we approved last year, this function would have been transferred to the Civil Service Commission. This seems to me to be a legitimate legislative function of the Congress and one that should not be transferred and I feel the bill is strengthened by the elimination of the provision.

The primary purpose of the bill is to stabilize the civil service retirement fund. The distinguished chairman of the subcommittee has already explained in detail the way in which the financing provisions will work. But I do want to endorse what he has said and to assure the Members that title I of the bill will vastly improve our retirement system and assure that the necessary money is available when needed to pay the annuities of the Government's retirees and survivor annuitants. Let me add, however, that this bill will not eliminate the present unfunded liability in the civil service retirement fund. As I understand, if all liabilities should suddenly become payable at one time, the Government would be obligated to pay $78.3 billion; but, of course, not all Government employees could retire at the same time and demand complete payment of all obligations on the same day. Their right to retire does not accrue in this manner.

There is a balance of approximately $20.6 billion in the retirement fund and an unfunded obligation of $57.7 billion. Perhaps we should emphasize that this unfunded deficit is $57.7 billion. What this bill does do is to tend to stabilize the unfunded liability by providing for payment of interest on the deficit in an increasing percentage over a period of years, as shown in table B on pages 10 and 11 of the committee report, so that by fiscal year 1980 the Government will be paying 100 percent of the interest on this deficit. I might mention, however, that this table is not entirely accurate in that it was prepared in connection with last year's bill rather than the current one. Interest alone at that time and each year thereafter will be $2,690 million which, of course, is a sizable amount even for the Government to pay, but the consequence of bankruptcy of the fund and payment to Government employees out of direct appropriations each year is so undesirable that, in my opinion, we must stabilize the retirement fund in the interest of both the Government and the employees.

In an informal conversation with a Civil Service Commission official knowledgeable in this field, he indicated that if the Government would appropriate the entire $57.7 billion represented by the unfunded liability, there would not be any immediate need for the appropriated funds, but the funds would be placed in interest-bearing obligations of the Government. In other words, the unfunded liability is presently an obligation of the Government upon which the interest would be paid in full annually beginning in 1980, and the same situation would exist if this money were appropriated. This is brought to the attention of the Committee so that no one will believe the passage of this bill will eliminate the unfunded liability of $57.7 billion.

I think the Members should also be aware of two provisions in the bill which were the subject of some controversy during committee consideration. One provision will permit retirement service credit to be allowed for the calendar value of unused sick leave of Federal employees. Under this provision, an employee who meets the age and service requirements for immediate retirement will be able to add to his years of service 1 calendar month for each 22 days of sick leave for the purpose of computing his annuity. This sick leave would not, however, be counted in determining average pay or in attaining eligibility for retirement.

As is pointed out in the committee report and in the supplemental views, this is a departure from the historic philosophy of the sick leave system. But the committee believed that the provision was justified and would be beneficial to the Federal service.

Another provision of the bill relates to the computation of retirement annuities for congressional employees. These employees are defined in section 2107 of title 5, United States Code, as follows:

First, an employee of either House of Congress, of a committee of either House, or of a joint committee of the two Houses;

Second, an elected officer of either House who is not a Member of Congress;

Third, the Legislative Counsel of either House and an employee of his office;

Fourth, a member of the Capitol Police;

Fifth, an employee of a Member of Congress if the pay of the employee is paid by the Secretary of the Senate or the Clerk of the House of Representatives;

Sixth, the Architect of the Capitol and an employee of the Architect of the Capitol; and

Seventh, an employee of the Botanic Garden.

Presently, congressional employees have their annuities computed by multiplying the average pay times 2½ percent times so much of their congressional, military, or Member service as does not exceed 15 years. Any service above 15 years is computed at the rate of 2 percent. The amendments in this bill would eliminate the 15-year ceiling for computation at the higher percentage and

would also limit the years of creditable military service to 5 years. This provision will bring congressional employees on a par with Members of Congress in these respects. However, it would also increase their contribution to the retirement fund from 6½ to 7½ percent, with the Government matching this contribution. The increase in contribution should more than offset the cost of the enlarged benefits as pointed out on page 19 of the committee report.

Mr. Chairman, the various provisions of this bill have been thoroughly discussed in both the subcommittee and the full committee. We have not been unanimous in our feelings toward all of the provisions. However, in my opinion, it is a good bill, one long desired by Government employees and one that should eliminate their concern for the continued worsening conditions of the retirement fund. Passage will assure them that necessary funds will be available when needed to pay all obligations of the fund.

Let me add one more thing: concern has been expressed by several Members of the House because title II of the bill provides that annuities will be computed on the basis of the highest 3 years of average earnings of Government employees rather than the highest 5 years under existing law. During a period of time when salaries are increasing, this will, of course, result in higher annuities. However, employees will have 7 percent deducted from their salaries for retirement purposes rather than 6½ percent; congressional employees and Members will have 7½ percent, all matched with an equal Government contribution. Our committee has been assured by the Civil Service Commission that these contributions will be sufficient to cover the benefits received by the employees. You may be interested in reading the discussion of this matter on page 12 of the report.

The chairman of our subcommittee has been very fair in permitting all points of view to be presented. We have adopted a number of amendments to the measure as originally introduced and as passed the House last year. In my opinion, we have a much better bill. I hope the Committee will see fit to act favorably on the bill.

Mr. DULSKI. Mr. Chairman, I yield 5 minutes to the dean of the House of Representatives, the gentleman from New York (Mr. CELLER).

Mr. CELLER. Mr. Chairman and Members of the Committee, I am pleased to rise in strong support of the legislation before this House today and of our colleagues on the Committee on Post Office and Civil Service and particularly the members of the Subcommittee on Retirement, Insurance, and Health Benefits.

Mr. Chairman, the thrust of the bill primarily is to protect the retirement fund. This fund to my mind is a sacred trust. It must be protected from any and all factors that might in the slightest degree militate against its integrity.

We must keep the faith—the faith to the thousands of Federal employees who years after faithful toil retire from their labors and enter into the deserved age of slippered ease and comfort. All employees look anxiously to this period of leisure. How frightening to them it would be if they had any doubts about the retirement fund which we are under obligation to protect. They would remain in fear constantly if there were the slightest danger of impairment of that fund.

We must keep that fund impervious to all dangers. The fund, unfortunately, is now in danger and we must address ourselves forthwith to erase that danger.

I am not going to go into all of the ramifications and convolutions of the financial aspects of this problem, particularly with reference to title I.

Suffice to say that there is involved herein a solution to the difficulties. The relief is through a three-faceted funding program that first, increases employee-employer contributions from 6½ to 7 percent of payroll to cover normal costs; second, provides payment of all future increases in the unfunded liability; and third, provides for the stabilization of existing unfunded liability.

This funding approach, as I understand, is fully endorsed by the Bureau of the Budget, the Civil Service Commission, the General Accounting Office and the House Independent Appropriations Subcommittee.

I do not think we can find greater authority than that for the efficacy and worthwhileness of this bill.

The three steps—in combination—that I have mentioned provide sound and permanent financing of this important program, cover the full cost of all future changes in the program; ease their budgetary impact; control growth of the deficiencies; keep the fund solvent, and at the same time avoiding excessive buildup of the balance before the money is actually needed, and restore confidence in the program's ability to make benefits available promptly and in full.

Such remedy is full and complete.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Iowa.

Mr. GROSS. Did the gentleman say that the Executive supports this bill?

Mr. CELLER. I did not hear the gentleman.

Mr. GROSS. Did the gentleman say that the executive branch of the Government supports this bill?

Mr. CELLER. I took the words that I just read from the report itself. If the gentleman has any opinion to the contrary, it might be well to let the House know that there are contrary views on that subject.

Mr. GROSS. I would say to the gentleman that I have already let the House know, but for the gentleman's information, the executive branch does not support title II of this bill.

Mr. CELLER. I heard the gentleman's remarks. I usually have great respect for his remarks, but I do not think the statement he read before is unconditional. It was in futura. The gentleman does not know exactly whether the Bureau of the Budget will or will not finally approve this legislation. The assistant who wrote that letter himself is not sure as to what action the Bureau of the Budget would take.

Mr. GROSS. Mr. Speaker, will the gentleman yield further?

Mr. CELLER. Yes, I yield to the gentleman from Iowa.

Mr. GROSS. The letter was signed by the Director of the Bureau of the Budget, Mr. Mayo, not an assistant.

Mr. CELLER. That may very well be, but it might be also that enlightenment will strike between now and the passage of the bill and the time the President may have an opportunity to sign it, and I doubt very much, sir, whether the President will take upon himself the grave responsibility of vetoing a bill of this character. The President will think many times over before he would follow the Bureau of the Budget in advice to veto a bill of this nature.

Mr. SCOTT. Mr. Chairman, will the gentleman yield?

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

Mr. SCOTT. I appreciate the gentleman yielding. Since he is the dean of the House, I wonder if he could recall back over the years whether, during the time the gentleman has been in Congress, the executive branch has not usually had some objection from a monetary point of view to improvements or liberalizations in the Government employees retirement fund.

Mr. CELLER. As I very quickly search my own memory, I do not recall any such incident where the Chief Executive took upon himself such a responsibility. I doubt very much whether the President of the United States would deign—and I use the world "deign" advisedly—to veto a bill of this character that seeks, in the main, to put the fiscal house with reference to the retirement fund in order. I cannot conceive how the President would do such a thing. The President is too shrewd, too conversant with the political repercussions of his actions to veto this bill.

Reference has been made to title II. I will say that perhaps there may be some objections to some of the forms involved in title II. You cannot get a perfect bill, gentlemen. In my long experience, I do not know whether we have ever had a perfect bill. Even the diamond has its flaws. Our experience always tells us that worthwhile legislation is always the result of compromise, and I take it that within the confines of this committee the intelligence of the members thereof has dictated some sort of compromise, so they have given us the best of their endeavors. I think we must have great confidence in the members of this committee, and if we would try to subvert and upset the labors of the committees of the House, we would get nowhere. We have neither the expertise nor the opportunity to learn all there is to be known about a given subject. In a word, the members of the committee must know everything about something, but we outside the committee must content ourselves to know something, be it ever so little, about everything.

So I cannot offer myself as an expert against the experts of this committee. I, therefore, hope this bill, a very salutary bill which requires attention of a very extreme nature; namely, the stabilizing

of this fund, will pass—and pass overwhelmingly.

Mr. SCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from Iowa (Mr. GROSS).

Mr. GROSS. Mr. Chairman, I sincerely want to support the main purpose of this legislation, which is to save the Federal employees' retirement fund from disaster and complete bankruptcy. But, I take vigorous exception to several provisions in the bill.

This measure is brought to the floor of the House under the guise of legislation needed to refinance the retirement fund. However, included in this bill is title II which grants over $1 billion in retirement liberalizations. The administration opposes the provisions contained in title II because of the increased cost and has served notice as I stated earlier today that it will give serious consideration to a veto if those provisions remain in the legislation.

I shall offer an amendment to strike out title II of the bill which provides the following liberalizations: First, sick leave credit for retirement purposes; second, a 1-percent cost-of-living adjustment for retired employees; third, an increase in survivor annuities; fourth, computation of retirement based upon the high 3-year average salary.

Another provision to which I take serious exception is the language of the bill, exempting the liberalizations it provides from the financing provisions of title I which provide that such liberalizations in the future shall be financed by equal annual appropriation installments over a 30-year period.

Believe it or not, the added liberalizations, or the liberalizations in this bill are not included in the unfunded liabilities which this bill seeks to correct.

I will offer an amendment to make any retirement liberalizations effective after July 1, 1969, as well as the retirement cost of the pay increase which became effective earlier this month subject to the 30-year financing provisions of title I.

There is another financing provision in this bill which provides that the Government shall assume responsibility for present retirement fund deficiencies by payment of interest on the unfunded liability created by past legislation which now amounts to over $60 billion.

It should be pointed out that the Secretary of the Treasury was not invited to submit his views with respect to this section of the bill. It seems to me that where the Treasury Department is called upon to credit the retirement fund with tremendous Government payments beginning in fiscal year 1971 and each year thereafter, the Secretary of the Treasury should have been afforded an opportunity to submit his views in person. In case anyone believes this is a minor matter, I call attention to the fact that this provision requires the Treasury Department to credit the retirement fund with $230 million in fiscal year 1971, which will gradually increase each fiscal year thereafter until fiscal year 1980. From that year on an amount of $2.69 billion annually will be required, merely to pay the interest on the unfunded liability to keep the fund at the same level.

This bill originated last year when it took the form of a Johnson administration recommendation containing only the financing provisions which are in title I of H.R. 9825.

Thereafter, the bill was amended and the retirement liberalizations were added by the Post Office and Civil Service Committee, which are now in title II. That bill passed the House of Representatives last year on October 1, 1968, but the Senate did not consider it.

The former administration and this administration both opposed the liberalizations contained in title II. But, in order to get favorable action on this legislation, I strongly suspect the former administration was willing to accept the provisions of title II. However, there is no assurance that the President this year will approve the legislation in its present form, for the administration has opposed the enactment of title II in this bill.

As I stated earlier, the amendment which I shall offer is to make the provisions of the bill consistent by fully complying with the financing sections to prevent the retirement fund from absolute depletion. I believe this amendment is necessary if we are to approve sensible legislation today.

Mr. DANIELS of New Jersey. Mr. Chairman, I yield 5 minutes to the gentleman from Montana (Mr. OLSEN).

Mr. OLSEN. Mr. Chairman, I rise in support of H.R. 9825.

The testimony presented to the Subcommittee on Retirement, Insurance, and Health Benefits most assuredly attests to the fact that it is of the utmost urgency that we in the Congress address ourselves, promptly and positively, to this alarming situation. It is the responsibility of the Congress to insure that the civil service retirement fund will have the ability to fulfill the Government's obligation to its present and future retirees, and to their families.

I would invite the attention of this House to the "Statement of Operating Receipts and Disbursements from the Retirement Fund from 1920 to 1968," appearing on page 6 of the committee report. You will observe that from the system's inception until the early 1960's, that annual disbursements approximated, on the average, about one-half of the annual income.

It will be noted, however, that in the present decade the percentage of disbursements has gradually increased in proportion to the income. It will be observed that disbursements in past several years, and during the last fiscal year, are equivalent not to 50 percent—but to more than 60 percent of current income. In the present fiscal year it is estimated that receipts will total about $3.6 billion, whereas disbursements will total $2.3 billion—or 65 percent of current income.

Under existing funding practices, disbursements will continue to gradually exceed this 65 percent of annual income by an additional average of 5 percent each year, and eventually equal total receipts by 1975. Thereafter, outgo will continue to progressively exceed income over the following 12 years, and will be twice as great as income by the year 1987. In order to pay out more than 100 percent of current income during that 12-year period, it would be necessary to spend the entire assets of the retirement fund.

Since the entire fund is appropriated for the payment of benefits, those benefits would be paid as long as there is a dollar in that fund, supplemented by whatever comes into it by then-current employee deductions and agency contributions, plus interest thereon. The situation that H.R. 9825 proposes to preclude is the necessity of relying upon direct appropriations of billions of dollars each and every year to meet disbursements estimated to exceed $6½ billion in 1987, and $8 billion by the end of this century.

Mr. Chairman, I urge this body's unanimous support of H.R. 9825.

Mr. HICKS. Mr. Chairman, will the gentleman yield?

Mr. OLSEN. I yield to the gentleman.

Mr. HICKS. I thank the gentleman for yielding.

Mr. Chairman, I am very pleased that the House is considering today the long-delayed legislation to improve the financial condition of the civil service retirement fund in an effort to assure that necessary funds will always be available to pay annuity benefits.

I am particularly interested in this measure because there are nearly 25,000 Government employees in my district, the Sixth District of Washington State, who have rightly become increasingly apprehensive over the rapidly mounting level of the unfunded liability of the retirement fund. This results from the fact that many are just becoming fully cognizant of the great amount estimated to be needed to fully finance all benefits due employees and former employees, less money to the credit of the fund and that to be placed in the fund in the future. This amount of potential deficit has doubled since 1961. These employees realize that this trend cannot be allowed to continue or the fund balance will ultimately be depleted, possibly as early as 1987. Action must be taken to forestall this contingency.

Judging from the correspondence and inquiries I have received, the workers in my district favor the limited improvements in the retirement benefits this legislation would provide and are willing to pay for them with the increased contributions required by this bill.

Thinking that retirement annuities determined under the high 3 years provided in this bill would be more in line with today's cost of living, many people postponed their retirement when Congress began considering this retirement legislation. They have now been waiting nearly 2 years. As I understand H.R. 9825, it provides for adequate funding for this and the other benefits provided in title II.

Mr. Chairman, in addition to the Government employees in my district, there are thousands of people receiving retirement and survivor annuities. The people are having great difficulty keeping abreast with the continual increases in the cost of living. Although the pro-

cedure adopted in 1965 for providing cost of living adjustments helped considerably in solving this problem, the most recent round of inflation has demonstrated an additional gap in this process. The committee's bill should narrow this gap and provide a mechanism which will keep annuities more nearly in line with prices.

In closing, Mr. Chairman, I would like to commend the subcommittee and its chairman, the gentleman from New Jersey, Congressman DOMINICK V. DANIELS, for the excellent job they have done on this legislation. In my own view H.R. 9825 will restore confidence in the retirement system and correct the more glaring problems presently facing the system.

Mr. SCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Chairman, before addressing myself to the details of this issue, I would first wish to inform the Members who are here hard at work that the National League is leading in the all-star game 8 to 2. If someone thinks that this is quite a departure subject-matterwise from the bill before us, I believe that it is not so at all, since you might note the big league baseball pension fund is in very excellent financial shape, which is not a description that could be applied to the fund of the Federal employees.

For that reason, Mr. Chairman, I support title I of this bill along with the illustrious members of the subcommittee and the full committee who are writing such a fine, impressive, eloquent, and determined history of legislation this afternoon.

Mr. Chairman, as I see it, title II of the bill represents a backward step. Having developed at progressive approach in title I, the committee starts to chip away at it in title II. However, the distinguished gentleman from Iowa and myself are very concerned over this. We intend to aid the majority of the subcommittee and the full committee by helping to correct the innocent little items that have crept into this bill through the vehicle of title II. Once we do it title I will serve its real purpose.

If I may have the attention for a moment of the floor manager of the bill, the gentleman from New Jersey (Mr. DANIELS), in an effort to help clarify the record, could the gentleman explain to the House or define for the House the Congressional employees as covered by a provision in title II? Just whom are we covering or for whom are we providing under the term "Congressional employees"?

Mr. DANIELS of New Jersey. Any employee of the House or Senate in the employ of the Architect and the Architect.

Mr. DERWINSKI. And I presume also the Capitol Police.

Mr. DANIELS of New Jersey. They are employees of the House and the Senate.

Mr. DERWINSKI. Are any of these employees presently entitled to annual or sick leave or other fringe benefits?

Mr. DANIELS of New Jersey. I understand and am reliably informed that the employees of the Architect are.

Mr. DERWINSKI. What about the Capitol Police? My recollection is they have their own administrative benefits of some sort. Do they not?

Mr. DANIELS of New Jersey. I am advised by my chief staff assistant that they are entitled to such benefits also.

Mr. DERWINSKI. It would seem to me, then, that we in the House are adding a dubious additional fringe benefit for these employees who are presently covered in some form for sick leave and annual leave.

I am concerned that there is unnecessary controversy over this bill basically because of the little goodies that have crept into title II. This is why the gentleman from Iowa (Mr. GROSS) and I are trying to be helpful this afternoon in straightening up this bill.

If I may refer the Members to a letter that should have reached the office of everyone yesterday, from the chairmen of the full committee and of the subcommittee and ranking minority members of the full committee and of the Subcommittee on Retirement—and these are all outstanding Members of this body—these gentlemen in their letter stated, and I quote:

> Because of some earlier confusion and misunderstanding we think it is most important that the record be set straight concerning this vital piece of legislation.

Then the letter goes on to discuss title I and the provisions to which we evidently all subscribe, but it does not really provide any explanation for the so-called confusion and misunderstanding which is contained in title II.

And, Mr. Chairman, if I were cynical, I would be led to believe that perhaps it is impossible to clarify the misunderstanding and confusion which is contained in title II of the bill, because this letter from the four distinguished Members never really did it.

I wonder if we would not solve this whole problem by accepting the amendment to be offered by the gentleman from Iowa to strike title II and then send it over to the other body and thereby avoid this confusion and misunderstanding.

Mr. Chairman, I should like to point out that there is a provision contained in the bill that the amendment to be offered by the gentleman from Iowa (Mr. GROSS) to strike title II would correct, but if it does not prevail, I have an amendment to strike the provision for credit for unused sick leave. The reason for this amendment is that I am greatly disturbed at this departure from the basic provisions for which sick leave was intended. Sick leave was intended to provide for a situation under which an employee who was legitimately ill would have this sick leave to use under circumstances whereby he would be endangering his health or endangering the health of his associates if he were to continue working while he was suffering from an ailment which poses a problem for himself and his associates. This is the intention. The argument that sick leave is abused, as I see it, is no argument for scrapping sick leave as such.

However, this is what we would do if we provide credit for unused sick leave. We would encourage employees who are sick to continue to work anyway. This is hardly practicable. We would create a complete departure in philosophy from the concept of sick leave. If it is impossible to administer sick leave, then the committee should adjust the administrative provisions so that sick leave cannot and will not be abused. In my opinion that would be a logical step, and I am sure if it becomes necessary for me to offer that amendment, I would receive some interesting support for it.

I also suggest, Mr. Chairman, that we have a few other items contained in title II that require consideration. One is the matter of the present highest 5-year average for annuity which the committee proposed to be lowered to the highest 3-year average. Unfortunately, as I read the report, especially the major portion prepared by the committee itself, I find very few statistics to back up the claim that this would cause only a minor dent in the fund. I am concerned over the possible abnormal costs which are not calculated and which are not clarified in any way in this bill.

It may well be that the overall logic which has been emphasized by the gentleman from Iowa (Mr. GROSS) will prevail. I think the manner in which we all could be of help to the chairman of the subcommittee and to the full committee as well as the ranking Members is to support this position, is to reconsider and strike out title II. Then we would have a fine bill which would restore at long last fiscal responsibility to this retirement fund.

Mr. FARBSTEIN. Mr. Chairman, will the gentleman yield?

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

Mr. FARBSTEIN. Mr. Chairman, I thank the gentleman for yielding.

There is one phase in this matter that puzzles me, and that I would like to have clarified, and if the gentleman can do so I would appreciate it.

Mr. Chairman, if one were to deposit money in the bank he gets compound interest. Does the gentleman know whether or not the moneys that are contributed by the Members as part of this annuity fund earn compound interest, or straight interest?

Mr. DERWINSKI. Theoretically—and I will cross-check with the chairman of the subcommittee—theoretically the interest should be compounded. Is that correct?

Mr. FARBSTEIN. Mr. Chairman, would the chairman of the committee join in this, if the gentleman does not mind?

Mr. DANIELS of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from New Jersey.

Mr. DANIELS of New Jersey. Mr. Chairman, in response to the inquiry, as I understand it, the funds are invested in Government securities. This morning I reported to the Democratic caucus that the funds are invested according to restrictions imposed by law, and which produce a return of 3.5 percent. And in speaking to the chief of our staff I am told that the entire portfolio today is now being broadly invested, and currently has a return of 4.6 percent.

Mr. FARBSTEIN. Compounded or regular interest?

Mr. DANIELS of New Jersey. I believe it is compounded annually.

Mr. DERWINSKI. I believe this would require further clarification. The previous year's interest income would be reinvested which, in effect, means that it is compounded.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. SCOTT. Mr. Chairman, I yield 2 additional minutes to the gentleman from Illinois.

Mr. DERWINSKI. I thank the gentleman for the additional time, and I now yield to the gentleman from New York.

Mr. FARBSTEIN. Mr. Chairman, on the basis of compound interest, money earning 4.5 percent would double within 14 years. Does the gentleman know whether or not the funds contributed by the membership have been given credit in the fund for this compound interest, or normal doubling over a period of 14 years for those members who have been in this system more than 14 years?

Mr. DERWINSKI. Mr. Chairman, it is my understanding that the contribution of members throughout the history of this retirement fund, so far as the Members of the House are concerned, has been adequate to meet the necessary contributions to the fund, including the earned interests on the funds deposited.

Mr. DANIELS of New Jersey. Mr. Chairman, if the gentleman will yield further, to give a direct answer to the gentleman from New York, if I may, I would say if you take a specific sum of money and put it out at interest, compound it annually at 4½ percent that in a period of 14 years it would double itself. However, in the case of contributions of Federal employees to the retirement fund they make the contributions in small semimonthly installments. They are not investing the total amount of money in one lump sum at interest for a full period of 14 years.

Mr. FARBSTEIN. Then the real question is for their small sum that they deposit, does that draw compound interest? Because if you were to take that small sum, irrespective of how small it was, and deposit it in a bank, it would get compound interest, would it not?

Mr. DANIELS of New Jersey. If I may answer the question posed by the gentleman from New York, and I believe I answered that question before, it is that the present practice today of investing the funds is for it to earn compounded interest.

Mr. FARBSTEIN. It would appear, therefore, to me—if the gentleman would yield further——

Mr. DERWINSKI. I yield further to the gentleman from New York.

Mr. FARBSTEIN. It would appear that the funds contributed by the membership under these circumstances are not being adequately compensated, so that in effect the membership in getting their pensions are not being equitably treated.

Mr. DERWINSKI. We need a technical clarification that should be provided for the record——

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. SCOTT. Mr. Chairman, I yield 2 additional minutes to the gentleman from Illinois.

Mr. DERWINSKI. Mr. Chairman, I again thank the gentleman for this additional time.

As I understand it, when the funds are invested, any interest earned accrues to this fund. This in effect is compounding the interest. This is the point of the gentleman's question.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman.

Mr. GROSS. I read from section 8342 of the United States Code wherein it is stated:

(h) Amounts deducted and withheld from the basic pay of an employee or Member from the first day of the first month which begins after he has performed sufficient service (excluding service which the employee or Member elects to eliminate for the purpose of annuity computation under section 8339 of this title) to entitle him to the maximum annuity provided by section 8339 of this title, together with interest on the amounts at the rate of 3 percent a year compounded annually from the date of the deductions to the date of retirement or death, shall be applied toward any deposit due under section 8334 of this title, and any balance not so required is deemed a voluntary contribution for the purpose of section 8343 of this title.

Mr. FARBSTEIN. Has the gentleman analyzed that section which you just read?

Mr. GROSS. No, I have not. But I simply cite that section of the code for the edification of the gentleman, for whatever it is worth.

Mr. FARBSTEIN. Does the gentleman mean the contribution of the Members to the pension fund is given credit for compound interest?

Mr. GROSS. I think it does—at the rate of 3 percent.

Mr. DERWINSKI. If I may comment on that point, that furnishes another argument for possible confusion and misunderstanding about this bill and perhaps further study by the committee might be in order. All the controversy revolves around the provisions of title II and if we go ahead and pass only title I of the bill, as the gentleman from Iowa recommends, it would solve these problems?

Mr. FARBSTEIN. I posed that question to the head of the Civil Service Commission. I think it was last year or 2 years ago when the question was raised in connection with the bill that came out of the Foreign Affairs Committee dealing with this subject, insofar as Foreign Service officers were concerned. I inquired then whether compound interest was paid and I was told, no. It was only given simple interest. This is the reason I pose the question I would like to have clarified as to whether only simple interest is being paid.

Mr. GROSS. I will say to the gentleman that the Foreign Service retirement is a different retirement system.

Mr. DERWINSKI. The passage read by the gentleman from Iowa clearly states that interest is compounded subject to other conditions of the act.

Mr. FARBSTEIN. I thank the gentleman very much.

Mr. DANIELS of New Jersey. I would like to respond to the question or the statement made by the gentleman from Iowa with respect to the passage he read from the United States Code dealing with compounded interest.

My chief of staff informs me that the section to which the gentleman from Iowa referred provides for an amount of interest charged to employees for period of service not covered by retirement deductions.

In other words, if you pay into the fund for periods of service that were previously not covered or refunded, then you have to pay a specific sum of money, with interest compounded at 3 percent per annum.

Mr. FARBSTEIN. Of course, that puts a different phase on the matter, do you think not?

Mr. DANIELS of New Jersey. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania (Mr. NIX).

Mr. NIX. Mr. Chairman, the chairman of the Subcommittee on Retirement, Insurance, and Health Benefits, the gentleman from New Jersey (Mr. DANIELS), indeed deserves the gratitude of all Federal employees and annuitants who have a vested interest in their retirement system, for the deep concern and great courage he has displayed in dealing with a serious and complex matter which has been neglected far too long. Our colleague has described in detail the features of the committee's proposal for the future financing of the civil service retirement system, and the modest improvements in benefits proposed therein.

The real problem of retirement financing, as I see it, is primarily one of budgetary and legislative responsibility. Responsible procedures require that the full retirement system costs involved in Federal program and legislative actions be fully disclosed and the necessary steps be taken to cover those costs when program and legislative decisions are made.

It is useful, I believe, in considering the budgetary and overall financing aspects of H.R. 9825, to think of it in three basic parts.

First, current service liabilities. Each year's service by each Federal employee adds to the future benefits which the retirement system must eventually pay out. Since the employee only contributes part of these benefits through a payroll deduction, the remainder must be paid by the Federal Government.

Each man-year of Federal employment, therefore, has a retirement cost attached to it which is just as truly an employment cost as the wages and salaries currently paid out. To the extent that the sum of the Federal and employee current contribution rate covers actuarial costs, the retirement benefits covered by each current man-year of employment pay for themselves and add nothing to the unfunded liability of the retirement fund.

Second, the potential increase in unfunded liability for past service, caused

by pay raises and liberalizations of retirement benefits. Every time a Federal pay raise is enacted, the retirement value, and the cost, of the past service of Federal employees is increased. After a pay raise, all the past years of service will be multiplied against a new and increased high average salary in determining retirement benefits. Automatically, the cost to the Federal Government of future retirement payments increases, and none of the increase is covered by employee contributions. Similarly, when benefit liberalizations are enacted, or current annuitants given a benefit increase, or new groups blanketed into the retirement system, the value of future retirement payments increases. Unlike the first category—currently accruing liabilities—these costs are not related to current level of employment, but simply reflect the impact of pay raises or benefit liberalizations on past service. It is worthy of noting that each $1 of general pay increase entails a retirement cost of $2.55.

Third, the unfunded liability which now exists because the civil service retirement system was not adequately funded in past years. Even if the Federal and employee contribution rates were sufficient to cover fully the currently accruing liabilities, and even if appropriations were made to cover the increase in unfunded liabilities due to future pay raises or benefit liberalizations, the retirement system would still have a large and growing unfunded liability. This arises from the fact that in prior years the retirement system was not funded to cover its full actuarial costs. And since the fund is far below the full actuarial level, it foregoes interest payments each year which add still further to the actuarial deficit.

There, then, are the three major financing aspects of the retirement fund, and each of these aspects is covered by this legislation, in the light of sound budgetary and financial principles.

It is essential to good budgeting that each Federal program be judged and evaluated in the light of its full costs. Each man-year of civil service employment represents a cost to the Federal Government, not only in terms of direct wages and salaries, but also in terms of what that man-year of employment adds to the cost of the retirement system. Federal agency contributions, together with employee contributions, should therefore cover the full amount of what each current year's service by a Federal employee adds to retirement costs.

At the present time, the normal cost of each year's service by a Federal employee amounts to 13.86 percent of his salary. Further changes in the system recommended by the Committee on Post Office and Civil Service will raise normal cost to 13.99 percent. The combined agency-employee contribution amounts to 13 percent, almost a full percentage point lower than full-cost coverage would require. As a consequence, the bill specifies a contribution rate of 7 percent for Federal agencies and 7 percent for employees, to cover the full normal cost of present benefits and those contemplated in this legislation, beginning in January 1970.

It is emphasized that requiring employees to share the normal cost on an equal basis does not mean that employees are paying half the cost of the retirement system. Continuing improvements in salary rates and benefit liberalizations have increased—and undoubtedly will continue to increase—the retirement value of past service, whose cost the Federal Government bears fully.

The principle of full-cost coverage for currently accruing service liabilities is not so much a matter of financing, but of full-cost disclosure. We ought to know what the full costs of any Federal program are. Even if the entire Federal retirement system were on a pay-as-you-go basis, principles of good budgeting would require that in making evaluations of Federal programs we "impute" a retirement cost of each Federal employee hired.

Of equal importance is that aspect of funding which relates to increases in past service liabilities. Here again, full-cost disclosure is important. When the Executive considers, for transmission to Congress, and when the Congress itself considers pay increase or benefit liberalization legislation, these considerations should be based on a full awareness of the future costs to the taxpayer of the increased retirement payment which will result from the proposed actions. Every pay raise and benefit liberalization has a price tag for increased retirement payments on past service. Those additional payments will be a cost to the taxpayer. The price tag should be known and action taken to meet it each time legislation is proposed and enacted, H.R. 9825 makes provision for handling this situation by amortizing such additional costs by appropriation payments into the fund scheduled to relatively coincide with outflow from the fund.

Of paramount importance is that aspect relating to the unfunded liability which has already been incurred, and to be further incurred, by failure to practice full-cost funding in prior years. As pointed out in the committee's report on this legislation, the system's existing multibillion unfunded liability, while being substantially affected by consistent liberalizations, recurring salary increases, and annuity adjustments, is largely attributable to the loss of interest on the deficiency—an amount that today approximates $2 billion annually.

The board of actuaries of the civil service retirement system has repeatedly recommended that the Government, with respect to the system's deficiency, do no less than appropriate the amount of accruing interest thereon. The committee does, indeed, concur with the actuaries that the existing unfunded liability should not be allowed to continue to soar by reason of the system's not being fully funded in terms of complete actuarial costs. H.R. 9825 provides for minimizing further loss-of-interest growth, and for the stabilization of those deficiencies within the next decade.

Mr. Chairman, the Government's financial obligation is clear. The Government's recognition of, and action to meet, that obligation is imperative. The situation has been studied intensively during the past few years by the Civil Service Commission, the Bureau of the Budget, the Cabinet Committee on Federal Staff Retirement Systems, and the board of actuaries and has been discussed extensively with congressional committees. It is time, now, that Congress face the problem realistically and adopt a definite program to meet that problem. Such a program is offered in this bill. I urge this body's full support and unanimous adoption of H.R. 9825.

Mr. SCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from Maryland (Mr. HOGAN).

Mr. HOGAN. Mr. Chairman, as a member of the Post Office and Civil Service Committee and the Subcommittee on Retirement, I am pleased to rise in support of H.R. 9825. I am also privileged to be a cosponsor of H.R. 9825. I support it fully and urge its prompt passage here this afternoon.

In brief, Mr. Chairman, what we are doing here today is finally facing up to the unpleasant fact that a most vital Federal employee fringe benefit—one which holds the promise of the future for many millions of persons—faces complete bankruptcy.

The civil service retirement fund is now $58 billion in the red. This unfunded liability is growing automatically by more than $2 billion every year, and by 1975 expenditures from the fund will exceed annual income. If the action we contemplate here today is not taken, the cash balance in the fund will be totally exhausted by 1988, and, thereafter, in order to meet our responsibilities and obligations under the retirement program we will have to make direct appropriations beginning with $3½ billion a year, escalating upward to $5 billion a year at the turn of the century.

The present fiscal crisis facing the retirement fund is the result of many years of inadequate financing, neglect and mismanagement. While Federal employees have always paid their full fair share of retirement costs set by law, the Government itself has not done so.

It is true that moneys have been appropriated to the fund from time to time in the past; but the Government's share of retirement costs has not always been paid regularly and systematically, or in amounts sufficient to meet its share of operating the program. And, in addition, over the years the Congress has enacted many benefit liberalizations which were never adequately financed.

Consequently, it is extremely imperative that we now act to put the retirement fund on a sound financial basis as contemplated by the provisions of H.R. 9825. If we do not, the situation can only get progressively worse and become even more difficult to resolve.

Mr. KEE. Mr. Chairman, the remarks the gentleman is making are so extremely important and germane to the bill as to require me, for the first time in my service in Congress, to make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present. The Clerk will call the roll.

The Clerk called the roll, and the

following Members failed to answer to their names:

[Roll No. 118]

| | | |
|---|---|---|
| Addabbo | Gray | Ottinger |
| Alexander | Gude | Powell |
| Ashley | Halpern | Price, Ill. |
| Baring | Hanna | Randall |
| Belcher | Hansen, Idaho | Rees |
| Biaggi | Hastings | Reid, N.Y. |
| Blackburn | Hawkins | Riegle |
| Blanton | Hébert | Rooney, Pa. |
| Boland | Henderson | Rosenthal |
| Broyhill, Va. | Howard | Ruppe |
| Carey | Joelson | Scheuer |
| Celler | Kastenmeier | Sebelius |
| Chisholm | Kirwan | Sikes |
| Clark | Landrum | Sisk |
| Clay | Lipscomb | Smith, Calif. |
| Conte | Long, La. | Stanton |
| Culver | Long, Md. | Stuckey |
| Daniel, Va. | McClory | Taylor |
| Diggs | MacGregor | Teague, Calif. |
| Evins, Tenn. | Mahon | Teague, Tex. |
| Fallon | Mayne | Thompson, N.J. |
| Feighan | Minshall | Weicker |
| Fish | Moorhead | Widnall |
| Flynt | Murphy, N.Y. | Winn |
| Fountain | O'Konski | Wydler |
| Frey | O'Neal, Ga. | |
| Fuqua | O'Neill, Mass. | |

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. McFALL, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 9825, and finding itself without a quorum, he had directed the roll to be called, when 353 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The gentleman from Maryland (Mr. HOGAN), has 7½ minutes remaining.

Mr. HOGAN. Mr. Chairman, I thank the distinguished gentleman from West Virginia (Mr. KEE) for his generous remarks.

I attended the hearings on this measure and, from the expert testimony I heard, it was clearly evident that there is an immediate need to overhaul and improve the funding and financing practices of the civil service retirement system.

The urgency of prompt enactment was best attested to by the distinguished Chairman of the Civil Service Commission, Robert E. Hampton, during the hearings, when he said that the retirement fund is now losing $2 billion in interest each year due to the failure of the Government to make all of its authorized contributions.

Mr. Chairman, this is admittedly a very complex piece of legislation. However, I think it is extremely important to point out that the major financing proposals contained in the bill were carefully worked out with, and have been approved by, the Bureau of the Budget, the Department of the Treasury, the Comptroller General, and the Civil Service Commission. These are the agencies which will be committed to any financing plan which we enact and their complete and unequivocal support and endorsement are imperative to the successful implementation of the bill. H.R. 9825 is a giant step forward in fiscal responsibility. It would solve the finance problem by a three-step method:

First. The full normal costs of present and future benefits which would be paid currently through matching agency and employee contributions would be increased from 6½ to 7 percent.

Second. The Government would be authorized to cover in 30 equal annual installments all increases in the Government's obligations created by new legislation, such as pay raises and benefit liberalizations.

Third. The Government would fulfill its obligations created by laws already in effect by gradually increasing appropriations which would eventually replace the interest being lost by the retirement fund.

In essence, H.R. 9825 represents our commitment that the integrity of the civil service retirement system will be maintained and that there will always be enough money in the retirement fund to permit payment of all benefits—in full and on time—to all past, present, and future Federal employees.

In addition to the financing changes, there are several proposals in the bill that would result in improvements in benefits for civil service retirees. Annuities would be computed on the high 3 years, rather than the current high 5 years, of average earnings. The calendar value of unused sick leave would be included for the purpose of determining length of Federal service. At the present time, unused sick leave goes down the drain when an employee leaves the Government service.

An additional 1 percent would be added to all future cost-of-living increases to compensate for the usual 5-month delay in granting these increases. To me, this is only fair.

Finally, certain inequities would be removed regarding the annuities of surviving spouses.

Mr. Chairman, I support these benefits because I feel that the Government should lead, rather than follow, private industry in providing such benefits to employees. I think these benefit increases are absolutely warranted and will fill a legitimate need of Federal employees.

While I enthusiastically support H.R. 9825, I would like to take this opportunity to point out to the Members that a very serious inequity in the retirement coverage of many thousands of our dedicated employees remains uncured by this bill. I refer to the exclusion of overtime and premium pay for the purposes of computing annuities.

H.R. 9743, which I introduced on April 1 of this year, would correct this deficiency. Provisions similar to my own bill were in the retirement bill which passed this House last October and in the original bill, H.R. 770, which our committee considered earlier this year. It is a source of disappointment to me that the provisions were not included in the bill before us today.

At the present time, Mr. Chairman, we have large numbers of Federal employees who, because of the very nature of their employment are required to work a considerable amount of overtime. Some of these employees are the customs inspectors, border patrolmen, Weather Bureau employees, FAA traffic controllers, and Government Printing Office employees.

These employees receive overtime pay and premium pay for their overtime, but the amounts of such overtime are excluded from their total gross pay when computing retirement annuities. The consequence is that an employee approaching retirement who has established a certain standard of living by reason of his consistent overtime, finds that he goes into retirement at an annuity which is much lower in relation to his final salary than do other Federal employees whose occupations do not require that they work a considerable amount of overtime. The employee who has worked long enough to earn the maximum annuity of 80 percent of base pay finds that his standard of living is not reduced by 20 percent, but a much larger percentage due to the fact that the 80 percent is not computed on the basis of his gross salary.

The crediting of overtime and premium pay does not entail any additional normal cost in view of the fact that both the employee and the agency would be contributing the customary 6½ or 7 percent into the retirement fund. I sincerely believe, and I know that many who have studied the retirement program share my view, that total gross pay earned by an employee for his personal services should constitute the basic compensation for retirement purposes.

While the bill before us today does nothing to correct this serious inequity, I am hopeful that my own bill, H.R. 9743, will be acted upon separately by the committee and the Congress in the very near future.

Sometimes there seems to be a prevalent attitude which considers the Federal employee as a "stepchild" of America's work force. Yet, the very structure of government would cease to function if it were not for these loyal and devoted civil service employees. Having been a longtime Federal employee myself, I can attest to the work done and to the contributions made by our Federal workers. These employees are an integral part of America's productive strength and they play a vital role in our progress.

Therefore, I believe that we would be remiss in not voting for this measure which would recognize the contributions of these employees, correct inequities in the current system, and avoid potential hardships which would result from the financial chaos which will occur if the financial problems inherent in the system at the present time are not resolved.

Mr. Chairman, I urge my colleagues to do what is right and equitable for our Federal workers by enacting H.R. 9825 without amendment.

Mr. DANIELS of New Jersey. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. HANLEY).

Mr. HANLEY. Mr. Chairman, I am pleased to support this measure designed to strengthen the financial condition of the civil service retirement system—a program in which all Federal civilian employees and retirees, and their families, have a vital stake.

All of the Government's several staff retirement systems are costly and, even without the liberalizations advocated by employees and retirees, costs are soaring. Benefits already earned but not yet pay-

able will, in a few years, require additional appropriations amounting to billions of dollars annually. Rising costs of living, to which benefit adjustments are now tied by law, will add billions more to the future liability. So will future salary adjustments. Retirement system financing has, therefore, become a major problem to executive branch officials and to Congress, as well as a matter of serious concern to thousands of individuals who fear that the economic security they have been counting on for their old age is slipping away.

Against this general background, facing the need for decision on a specific financing proposal is imperative. Methods of financing and funding Federal retirement systems vary: Some are contributory, some—technically at least—are noncontributory; some are fully funded, some partially funded, and some are pay as you go. While disagreement continues unresolved over the extent to which the individual employee should share retirement costs, and over the best approach to financing, methods of resolving these problems will have a tremendous impact on the budget of the Government.

Clearly, no one social or economic philosophy can adequately explain all of the changing currents of the retirement movement. The society in which the civil service retirement system was originally designed was relatively static; today's society is characterized by a dynamism that we have not yet learned to assess adequately, much less cope with, and the system shows the strains of the continuing effort to accommodate to this dynamism.

It attempts to cope with a particular set of employment conditions specific to most, but not applicable to all, who serve the Nation's largest and most diversified employer; it must continue to meet those special conditions if retirement is to serve its purpose for these employees and make a positive contribution to the Government's missions.

It attempts to balance divergent interests, accommodate conflicting values, and adjust to continually changing manpower needs and policies; it must continue to do so because that is what our democratic system demands of its public institutions.

It is costly because, despite its various inadequacies, it is essentially generous; it must remain so if the Government is to be a responsible employer.

The public hearings held by the Subcommittee on Retirement, Insurance, and Health Benefits, together with the considerable volume of correspondence it received, presented an opportunity to give appropriate consideration to a number of topics for study. Our major findings and recommendations are summarized in the committee report accompanying this legislation.

The provisions for financing and funding the civil service retirement system has been designed so as to first, require Government and employees to share normal costs, including those resulting from the liberalization of benefit provisions; and, second, to identify clearly and recognize Government's responsibility for other costs, including those for past service liability and those for post-retirement adjustment of benefits; and also to provide for maintenance of the retirement fund at a level sufficiently high to assure that all retirement benefits can be paid promptly as they fall due.

This legislation will completely cover normal cost, will automatically neutralize prospective causes of future financial deficiencies as they occur, and ultimately will stabilize the existing unfunded liability of the program. The mechanics of the legislation will require virtually full disclosure of retirement costs and explicitly allocate responsibility for such costs to, first, employees and agencies jointly; second, agencies only; and third, Government, as distinct from agencies.

Mr. Chairman, in order that there is no question as to the ability of the civil service retirement system to fulfill its future obligations to Federal employees and annuitants, I urge the adoption of H.R. 9825.

Mr. DANIELS of New Jersey. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. BRASCO), a member of the committee.

Mr. BRASCO. Mr. Chairman, I rise in support of H.R. 9825. First, I wish to commend the distinguished chairman of the Subcommittee on Retirement, Insurance, and Health Benefits, the gentleman from New Jersey, Congressman DOMINICK V. DANIELS, for the leadership he has demonstrated in bringing before the House a bill which embodies the subcommittee's major legislative effort of the last session of the 90th Congress, and its initial legislative endeavor of the 91st Congress. The bill was reported by both the subcommittee and the full Committee on Post Office and Civil Service without a dissenting vote.

Mr. Chairman, I wish to emphasize that within 6 years, we will be paying out more than present financing methods bring in. I emphasize that within 18 years the fund balance will have dropped from the present $20½ billion to zero. Unless appropriations of billions of dollars are then made in full, and on time, each and every year thereafter, we will be unable to pay retired employees and their survivors the benefits they have earned through years of dedicated service, and upon which they are counting for support in their old age.

Nonreceipt, or even delayed receipt, of their annuity checks would be extremely serious for thousands of these elderly persons, many of whom have no other source of income. We would be delinquent in our responsibility, I say to the Members of this Congress, if we did not insist upon timely and effective congressional action to assure that such a situation does not occur.

During the course of this debate I have heard title II of this bill described as controversial and described as a Christmas tree ornately decorated with light bulbs and tinsel. Now, I have great respect and admiration for the integrity and intelligence of both of the members of the committee who described title II of this bill in that manner. Certainly it is with great trepidation that I pursue a path which would be directly opposite to their line of thinking. I do not know of any Federal employee who is living high on the hog today. I do not know of any Federal employee who has been able to bring his family up in dignity and decency. I certainly do not know of any retired Federal employee who can maintain that retired status in the manner we ought to want them to have in their twilight years. Among the Federal employees I know are those from New York, among them the post office employees, clerks and carriers, who start out at less than $6,000 a year and after a long period of 21 years make less than $8,000 a year. I think it is certainly fitting that some of the benefits in title II which are due to these dedicated employees be granted in this legislation.

I would like, if I may, now to go over what these benefits consist of. We heard one distinguished member of the committee concern himself with the fact that unused sick leave would be used in the formula to arrive at one's annuity payments. We have had testimony before the committee from the Civil Service Commission in which they stated that about one-third of those retired are retired by virtue of disability. That means they are directed by the Civil Service Commission to take all of their unused sick time. That means also that they are on the payroll for full salary and during that period they are charged against the agency's service list, so that no other manpower can be provided for that slot. We find—and the Civil Service Commission has so testified—that the difference between the one-third and up to 50 percent of those people who are not disabled but are retired are at a stage in their life when they are sick. So they are in the same position.

The last 50 percent forfeits, yes, forfeits some of its unused sick time. But I think that this legislation would represent a great deal of incentive in marginal cases to have Federal employees preserve their unused sick leave.

Then, Mr. Chairman, we come to the 1-percent cost-of-living increase. I do not believe there is any Member of Congress who would disagree that this is necessary for our retired civil service employees today.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. DULSKI. Mr. Chairman, I yield to the gentleman from New York 2 additional minutes.

Mr. BRASCO. Mr. Chairman, then we come down to the next great benefit and I guess this one is the one with all of the tinsel, to restore to widows their rights of survival annuities. During the course of any man's employment when he is married, one of the foremost thoughts in his mind is to provide for his surviving spouse, and he pays for that. In some instances many men will retire at

reduced benefits only to continue the survivorship benefit for their wife. Are we going to take that away from him because a woman decides to remarry and perhaps remarries a man who is earning only a meager income? Mr. Chairman, do we say that this is tinsel and a type of a Christmas tree provision?

Then, Mr. Chairman, we have the next provision in which we take the 5-year average on which we basically compute retirement down and reduce it to 3 years.

It is interesting enough, and I would agree with the gentleman from Pennsylvania (Mr. CORBETT) when he says that all of this is being paid for by the Federal employee when we increase their rates paid into the fund from 6½ to 7 percent. I agree that is accurate.

Mr. Chairman, there is one thing that may cause some controversy and that is the fact that Members of Congress may be included in this provision. I understand there is going to be an amendment offered today to have Members of Congress taken out of this 3-year provision. You know something, I have been around here not very long, but long enough to be sort of tired, respectfully so, but tired of listening to that old song, "Your Lips Tell Me No, No, But There Is Yes, Yes, in Your Eyes."

Mr. Chairman, Members come here constantly and vote against benefits for Members, but as soon as such benefits are voted, run to the disbursing office to collect their benefits.

Mr. Chairman, I think there should be some kind of distinction between those who are voting against these benefits for Members, not because they are not entitled to them, but vote against them only because they may receive the benefit in the end.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. DULSKI. Mr. Chairman, I yield the gentleman one-half additional minute.

Mr. BRASCO. Mr. Chairman, I was going to suggest that anyone who has such an amendment might draft the language in this way so that we will once and for all dispense with this kind of demagoguery and do away with the national pastime of "let us kick the Members of Congress around." I suggest that we could do this through an amendment by providing that any Member of Congress within 31 days after this act becomes effective may just write a letter to the disbursing office authorizing them to compute his retirement benefits on a 3-year period instead of 5, so we can honestly separate those who favor the provision and those who do not.

Mr. ANDERSON of California. Mr. Chairman, will the gentleman yield to me?

Mr. BRASCO. I yield to the gentleman from California.

Mr. ANDERSON of California. Mr. Chairman, H.R. 9825 is a most important piece of legislation, for until the refinancing provisions of this bill go into effect, we do not have a sound financial base for the civil service retirement fund.

I have, in the past, indicated my support for this vital legislation by introducing an identical bill, H.R. 10219. A major reason for my interest in generating support for this bill is because the legislation provides for an additional 1 percent to each future cost-of-living increase and, as my colleagues in the Congress well know, the way things are moving now it appears another cost-of-living increase will soon be due. We simply cannot afford to allow our Federal employees and public service workers to fall further behind in the inflationary spiral we are presently experiencing.

We simply cannot afford to delay this measure any longer. In reporting the fiscal 1970 independent offices bill, I remind my colleagues that the House Appropriations Committee declared:

> The committee again calls attention to the fact that the deficit in the Civil Service Retirement and Disability Fund continues to increase. The deficiency is estimated at $57.6 billion at June 30, 1969, and the fund will be paying out more than it is taking in by 1975 unless sound financing is provided for.

The many reports, telegrams, letters, and personal conversations I have had on this matter requesting a favorable vote leave me in no doubt as to what course the Members should take this afternoon on this bill.

I stress the great need for our prompt enactment of H.R. 9825 today in order to strengthen and maintain the viability of our civil service retirement system.

Mr. DULSKI. Mr. Chairman, I yield 3 minutes to the gentleman from Hawaii (Mr. MATSUNAGA).

Mr. MATSUNAGA. Mr. Chairman, I rise in support of H.R. 9825, a dual-purpose bill which would strengthen the financial condition of the civil service retirement system and at the same time provide certain needed improvements in the employee benefits structure of the retirement system. H.R. 5831, a bill that I introduced, is similar to the one we are now considering.

As a former member of the House Post Office and Civil Service Committee, I am keenly aware of the fact that the financing of the civil service retirement system has been a continuing problem for many years. For too long a period, the reports of the actuary have been pessimistic. In 1958, for example, the unfunded liability of the program was about $18.1 billion, and over the ensuing years it has risen so that by the end of this month, upon full implementation of the latest salary statute, the deficiency will exceed an estimated $61 billion. The dire prediction has been made that if no changes are made in the law, the civil service retirement and disability fund will have a zero balance in about 18 years. It was in this climate that the House Post Office and Civil Service Committee considered and reported out a predecessor bill, H.R. 17682, in the last Congress.

On October 1, 1968, the House passed that bill without a dissenting vote. That bill was the result of careful and extended study by the committee in conjunction with the Civil Service Commission, the Bureau of the Budget, and the General Accounting Office. I regret that the other body did not have an opportunity to consider the bill. Like the bill we are now considering, H.R. 17682, presented a rational approach to financing the civil service retirement program. In addition, it would have made several worthwhile improvements in the benefits provided.

No one can honestly deny that the financial reforms provided in H.R. 9825, the bill now under consideration, are urgently needed. In the current fiscal year the unfunded liabilities of the program will rise by about $1.9 billion due to the interest that accrues. If enactment is put off for another year, there will be a similar increase in fiscal year 1971. Now is the time to put a stop to this unwanted growth in needless cost to the taxpayer.

Mr. Chairman, in the current budget-conscious year, we have heard from some quarters that we ought to preserve the financing features of H.R. 9825 while dropping the employee benefit improvements. I would like to point out that title I and title II of the bill supplement each other and are integral parts of the whole legislative package. The employee benefits provided under title II are long overdue. The cost of their enactment will be fully covered by the new combined employee-employer contribution rate of 14 percent of payroll provided under title I.

The employee benefit provisions, encompass such improvements as the reduction in the average pay computation period from 5 to 3 years, the credit for unused sick leave, the 1 percent increase in future automatic cost-of-living percentage adjustments, the deletion of the 15-year limitation from the congressional employee computation formula, and the reinstatement of a remarried widow's annuity without regard to the time her husband died or retired. These are all needed modernizations that do not in any way thwart our effort to strengthen the financing provisions.

Mr. Chairman, there is very little need to engage in lengthy debate today over these provisions of the bill. The need is present and clear. The House in the 90th Congress demonstrated its understanding of these problems and recognized the worth of the proposed solutions. There is no reason why we should not take the same course today with respect to this long overdue legislation.

Mr. SCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania (Mr. DENT).

Mr. DENT. Mr. Chairman, there has been a great deal of interest in this legislation, and any legislation dealing with pensions in the last 3 or 4 years, and as chairman of the General Subcommittee on Labor, I have had the responsibility of the Welfare and Pension Funds, Reporting and Disclosure Act. This act covers the affairs and trusts and the operations of approximately 1,255,000 separate pension funds in the United States.

I have not had an opportunity to look at the whole million or so funds, but I can say to the Members that the highest contribution of any contributor to any of the funds we have studied is the contribution made by the Members of the Congress into the congressional fund.

The trouble with this fund is that it is mixed up in the whole general funding picture of the GSA, or the regular civil service employees retirement, but the truth of the matter is that the soundest pension fund that has come to our notice is the pension fund of the Members of the Congress of the United States.

I can understand why certain Members harbor a false premise on this particular situation of the pension fund in the Congress, because of a great deal of misinformation on pension funds in general, and especially those that attach themselves to Members of the Congress in this instance.

There is a serious problem that we ought to be looking at. We ought to be looking at it because in the days when I was investigating this particular pension fund of ours, in line with other pensions, I received a great number of letters from former Members of Congress who, in detail, gave me the problems they faced after they left the Congress, after having served here for 10 or 20 years or 15 years, and they found themselves completely away from whatever profession they may have had or whatever business they may have had.

If that was true in those days—10, 12, or 15 years ago, how much truer is it today when the Congress finds itself in the position of being a full-time job, practically.

I do not know how the rest of you may be able to carry on your affairs at home, but I have not been able to and I have had to give up all my other business and activities. I am strictly a Member of the Congress of the United States 7 days a week. For that matter I doubt if anyone could actually say that he is not called upon, at all times like a good general practitioner in medicine.

However, I want to get down to the basic fundamental principle of pension legislation—not this particular legislation—but legislation dealing with pensions for the Members of Congress.

First of all, because of the fact that you have to serve 32 full years in the Congress to get the maximum pension allowance under the law, it forces the Members of Congress who, after being here for 10 or 12 years, have to stay to the end of their endurance and the will of the people. Many of us know that Members of Congress reach a certain age where I am sure they ought to be retired and should be retired and should have the inducement to retire.

Some of us worked out what we thought was a reasonable plan. There would be no less paid into the pension fund by Members but it would be paid in a shorter number of years and would allow retirement after a shorter number of years of service.

It is not a question of whether a person is able to serve when he is 78 or 79 years of age—it is a question as to whether he ought to be serving. We are all creatures of habit and we form certain habits and policies and opinions over the years—and they never change.

I hate to say this, but a great number of Members of this Congress who were here back in 1932 and 1933 and 1934 and 1936 are still fighting the old depression. There has been so much water over the dam since then and they are still talking about trade relations of the days of the horse and buggy when we just flew men to the moon the other day.

In other words, we become creatures of habit and form habits and opinions and we follow them—and we follow them more so in our later days when we do not have that vim and vigor or the notion to do any new thinking.

Let me just give you some facts that are very important. I want these facts to be understood for what they are. These are the actual facts of the pension plan of Congress.

First of all, anybody who conceives the idea or who thinks you can make a Government plan actuarially sound using the private insurance company basic figures is just simply out of any rational mind that he may have. It is impossible because any contract that is made with a private insurance company for annuities is based upon a contract that is not changeable during the lifetime of that contract.

You cannot compare the Federal pension to a regular pension system, simply because in the Government pension system we increase the benefits without adding contributions because all of those who are already retired receive benefit increases and do not contribute into the fund.

We have changed this fund in such a way that we have added enough extra cost to it so that even if we were to triple or to quadruple the amount of the contribution, it would not be actuarially sound in future years, as the private insurance companies figure it out.

It is also true that insurance companies as a group have greater earnings, more holdings, and more money in mortgages than any other business enterprise.

On the other hand the Government is not in the business of exploitation for profit and the Government fund should only be self-sustaining, not profitable.

The reason I make that statement is because it proves itself out mathematically and it proves itself out practically. For example, in 1947 we started this fund, and during that period of time the Federal Government was supposed to contribute its matching fund with ours. However, for the first 9½ years the Federal Government did not pay 1 cent into this fund, and at the 9½-year mark, it paid a half a year. Then it paid the next 10 years, according to the figures received from the Bureau in 1967. During that period of time our average annual income from investments, or parts of it, averaged less than 3 percent per year. If this money had been put out at 4½ percent under a prudent investor's rule, and if the fund were run like any other intelligently run fund, the fund for the Members of Congress would have over $26 million over and above the amount of money that was required to pay out all claims.

In respect to claims, a Member of Congress who retired in 1955 received $180 a month in 1955. To be accurate, so that there will be no question of the facts that Member—and I will give you his name if you so desire—now receives $259 a month. Mind you, if you had an actuarially sound plan, and you based it upon the idea of being actuarially sound, you could not pay him $259 a month. He would still have to receive $180 a month. But we have generously added widows and others without funding. We have generously added other benefits for noncontributing Members into the fund, and the Members of Congress have paid for it.

Federal judges pay nothing into the fund but get full retirement benefits. The military has the same setup.

As of 1967 the facts were clear. Preliminarily, I would like to point out that there is one thing you must always remember. Political expediency and common justice seldom sleep together. They are very strange bedfellows.

We have added all of these extras. We are paying for them out of the fund, without matching contributions, or contributions being made out of the general fund. That is where these added benefits should come from since they are not benefits for the contributors. We are paying for them out of our pension fund. We are paying enough in our pension fund, as of the last figures available, to take care of the original program, but I would like to point out that the facts simply put are as follows:

First. The Members' pension is sound and is solvent as a pay as you go with a surplus as of the end of 1967 of over $12,900,000 over and above all charges and costs against it, since its inception in 1947.

Second. The Federal Government never met its matching requirements for the first 10 years and in the 11th year, 1957, it met only 50 percent of its matching and yet the Members' contributions were high enough to meet all claims against the fund and still have a reserve of $3,227,000 for the 11-year period.

Third. During all these years—1947–67—the fund earned less than 3½ percent interest per year for a total of $3,114,000 as against a total of $10,508,000 if the Government had met its matching requirements and the fund had earned 5-percent annual interest.

Fourth. The fund would have a surplus of over $25,008,000 instead of $12,915,000 if the Government had paid its share as all other employers do on a matching basis.

This shows the amount of surplus over costs for the full retirement system of the Federal Government with the exception of free pensions to Judges, and special categories:

INVESTMENT OF THE RETIREMENT INCOME

| Type of security issue and interest rate | As of Dec. 31, 1966, investment (at par) (in thousands) Amount | Percent | Rate of interest | As of Dec. 31, 1967, investment (at par) (in thousands) Amount | Percent |
|---|---|---|---|---|---|
| Special, 2½ | $585,000 | 3.46 | 2½ | $200,000 | 1.11 |
| Special, 2⅝ | 3,677,140 | 21.73 | 2⅝ | 3,148,359 | 17.43 |
| Special, 2⅞ | 1,009,576 | 5.97 | 2⅞ | 869,014 | 4.81 |
| Special, 3¼ | [1] 1,295,200 | 7.65 | 3¼ | [1] 1,234,224 | 6.83 |
| Special, 3⅜ | [1] 2,104,888 | 12.44 | 3⅜ | [1] 2,024,661 | 11.21 |
| Special, 4⅛ | [1] 4,243,254 | 25.07 | 4⅛ | [1] 1,400,780 | 22.71 |
| Special, 4¼ | | | 4¼ | [1] 1,758,171 | 9.74 |
| Special, 4⅞ | [1] 1,907,732 | 11.27 | 4⅞ | [1] 1,867,040 | 10.34 |
| Special, 5 | [1] 63,072 | .37 | | | |
| Special, 5⅛ | 117,876 | .70 | | | |
| Special, 5¼ | | | 5¼ | [1] 43,004 | .24 |
| Special, 5⅜ | [1] 279,199 | 1.65 | | | |
| Special, 5⅝ | | | 5⅝ | [1] 517,468 | 2.87 |
| Total, [2] 3.681 | 15,282,937 | 90.31 | [2] 3.885 | 15,762,721 | 87.29 |
| Public, various [1] 4.246 | 1,640,403 | 9.69 | [2] 4.463 | 2,295,953 | 12.71 |
| Grand total [2] 3.736 | 16,923,340 | 100.00 | [2] 3.959 | 18,058,674 | 100.00 |

[1] Amounts invested since Oct. 4, 1961, under the 1961 law.
[2] Average rate, weighted by face amount at each rate.

Note: Public Law 87–350, approved Oct. 4, 1961, changed the basis for future investment of the retirement fund with respect to special issues from an average coupon to an average market yield basis. It also provides for the redemption of investments made under the old basis and their reinvestment under the new basis over a 10-year period.

The calls and letters to Members by retirees—voluntary and otherwise—attest to the willingness of Members to pay more to get more in pensions and insurance plans. The following is quoted from one of many letters from former Members:

As you know, I was elected to Congress in 1934 and served until 1947, with the exception of 1943 to 1945.

It was my privilege to be a Member at the time the so-called Congressional pension or annuity was adopted in 1946. Our salary was then $10,000 per year. We should have had an increase in salary long before that time, but we were thankful for the passage of the pension act.

Even though we former Members are not on the payroll, as such, we are called upon to render service because of our former Membership. Our opinions are sought after because of that standing. One does not realize the number of times this happens. We are happy to render such service; however, I feel that our pension or annuity is inadequate.

Of course, I fully realize that our contribution of 5% of our salary, based on our basic salary of $10,000, was voluntary and was paid back to the time of our entry into Congress, and it was the best we could expect to pass at that time. My pension or annuity began in May 1955 when I became 62 years old at the rate of $180 per month or $2,160 per annum and has risen to $259 per month or $3,108 per year because of the increase in the cost of living.

You will note that his pension has increased 33⅓ percent without any contributions. The serving Members of Congress paid for this increase out of their contributions since no appropriations were provided for the increases.

This is another reason we cannot make the fund actuarially sound.

Following is a list containing the history of retirement legislation:

HISTORY OF LEGISLATION AFFECTING RETIREMENT OF MEMBERS OF CONGRESS

1. Act of January 24, 1942, Public Law 77–411, extended retirement coverage to Members of Congress.

2. Act of March 7, 1942, Public Law 77–490, removed Members of Congress from coverage under the retirement system.

3. Act of August 2, 1946, Public Law 79–601, extended retirement coverage to Members of Congress.

4. Act of June 19, 1948, Public Law 80–707, allowed a Member leaving his office to enter the armed forces during a war or national emergency, upon returning as a Member, to have the time spent in the military credited toward retirement, with no contribution to the retirement fund.

5. Act of April 4, 1953, Public Law 83–18, eliminated the 30-day waiting period for joint-and-survivorship-annuity elections by Members.

6. Act of March 6, 1954, Public Law 83–303, liberalized Member's retirement provisions with respect to creditable service, conditions for retiring, amount of annuity, and death benefits.

7. Act of August 31, 1954, Public Law 83–730, provided that Member's annuity title could arise only if at least 1 year within the 2-year period next preceding Member's separation was served subject to the retirement law.

8. Act of August 11, 1955, Public Law 84–369, added a benefit for Members, separated July 1, 1955 or later, who had prior Government service other than as Member. Also permitted use of prior Member service in computing annuity upon retirement from non-Member employment.

9. Act of June 4, 1956, Public Law 84–556, waived 1-out-of-2 requirement in case of Member's death in service.

10. Act of July 31, 1956, Public Law 84–854, completely liberalized, revised and re-enacted the civil service retirement law with respect to all types of covered personnel, including Members.

11. Act of June 21, 1957, Public Law 85–58, liberalized the commencing date of annuities for survivors of Members who died subsequent to April 1, 1956 and prior to October 1, 1956.

12. Act of June 29, 1957, Public Law 85–65, liberalized the commencing date of annuities for survivors of Members who died on or after January 1, 1957.

13. Act of June 25, 1958, Public Law 85–465, provided annuity increases to retired Members or their survivors who were receiving or entitled to receive annuity on August 1, 1958, based on service terminated prior to October 1, 1956.

14. Act of August 14, 1958, Public Law 85–661, provided for payment of Member's voluntary contribution accounts prior to receipt of any additional annuity resulting therefrom.

15. Act of August 27, 1958, Public Law 85–772, provided annuity protection for survivors of employees who are elected or appointed as Members of Congress.

16. Act of July 7, 1960, Public Law 86–604, liberalized Members retirement benefits with respect to refund rights, annuity elegibility, deferred annuity and re-employment of former Members.

17. Act of July 12, 1960, Public Law 86–622, liberalized Members retirement benefits with respect to excess contributions, deferred annuity, immediate reduced annuity upon involuntary separation and survivor annuity.

18. Act of September 6, 1960, Public Law 86–713, accelerated the commencing date of Members annuities and the annuities of their survivors.

19. Act of July 31, 1961, Public Law 87–114, made permanent authorization for payment of annuity increases authorized for Members and their survivors by the Act of June 25, 1958.

20. Act of October 4, 1961, Public Law 87–350, liberalized the restoration to earning capacity provision of the retirement law relative to Members who retire on account of disability.

21. Act of October 11, 1962, Public Law 87–793, liberalized Members' survivor benefits and provided annuity adjustments to retired Members and survivors of Members.

22. Act of September 27, 1965, Public Law 89–205, as amended by the Act of November 1, 1965, Public Law 89–314, provided cost-of-living annuity adjustments to retired Members and to survivors of Members.

23. Act of July 18, 1966, Public Law 89–504, liberalized Members' survivor benefits for student-children and provided survivor annuity increases.

24. Act of December 16, 1967, Public Law 90–206, liberalized Member's maximum basic annuity at 80% of the final pay of an appointive position in which the Member serves after termination of Member service.

Mr. CORBETT. Mr. Chairman, I yield to the gentleman from California (Mr. DON H. CLAUSEN).

Mr. DON H. CLAUSEN. Mr. Chairman, I rise today in support of H.R. 9825, the Civil Service and Retirement Financing and Benefits Act.

The House Committee on Post Office and Civil Service has done an excellent job in the area of drafting legislation intended to improve both the financing and funding practices of the civil service retirement system in order to maintain confidence in the soundness of the retirement fund. In addition, this legislation, in my judgment, provides certain limited, but necessary and needed, improvements in the benefits structure of the system within the confines of the new financing approach.

Certainly, we in the Congress must insure that the necessary money is available when needed to pay the annuities of Government's retirees and survivor annuitants in full and on time.

Essentially, this bill provides four basic improvements in our Civil Service Retirement Act.

First. An additional 1 percent will be added to all future annuity cost-of-living increases. This, I believe, is absolutely essential. Thus, if the cost of living is increased by 3 percent, annuities would be advanced by 4 percent to offset the increase.

Second. Annuities of surviving spouses who have remarried since July 18, 1966, will be continued or restored under certain conditions.

Third. Retirement service credit will be allowed for unused sick leave. While this provision may be debated, it should, nevertheless, be recognized as a valuable incentive for faithful service.

Fourth. And, last, annuities will be

computed on the high 3 years rather than the high 5 years of average earnings.

On this latter provision of pay averaging and, in order to be consistent, it is my understanding that a motion to recommit will be offered on the basis that this provision includes Members of Congress. If the 3-year averaging provision is limited to Federal employees and excludes Members of Congress, I will support it. If it includes Members of Congress, however, I shall be compelled out of conviction to support the motion to recommit on that basis.

Increasing the salary and benefits for Members of Congress, as I see it, is not the answer to the problem and, whenever I have had the opportunity to cast my vote on this question, it has been against increasing Members' salaries and benefits. This was true during the last session on the question of establishing the so-called Presidential Commission on Executive Salaries and it is true here today.

While I fully support improving the financial condition of the civil service retirement system, I cannot, in good conscience, believe that our actions here today will be construed as improving the critical problem of properly financing the system by improving benefits for Members of Congress which, in my judgment, are adequate at present.

While some may disagree, I believe that, over the years, Congress has just not provided sufficient funds or adequate "machinery" so that our civil service retirement system is capable of keeping pace with the cost of living or rising price index. Nor, in my judgment, has proper attention been paid to surviving widows.

This, then, is the problem that we should be addressing ourselves to here today.

Mr. CORBETT. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from West Virginia (Mr. KEE).

Mr. BURLISON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. KEE. I yield to the gentleman from Missouri.

Mr. BURLISON of Missouri. Mr. Chairman, the major purpose of this legislation is to improve the financing and funding practice of the civil service retirement system, so as to maintain confidence in the soundness of the retirement fund and to assure that the necessary money is available when needed to pay the annuities of Government's retirees and survivor annuitants in full and on time.

It is also the purpose of this legislation to provide certain limited, but needed, improvements in the benefits structure of the system within the limits of the new financing approach.

During the past 1½ years, the Subcommittee on Retirement, Insurance, and Health Benefits of the Committee on Post Office and Civil Service has devoted its full time and attention, in extensive public hearings, executive sessions, and conferences with the official representatives of agencies of the executive and legislative branches, to a searching review of the financial condition of the civil service retirement system—a program which is a vital part of the Federal employment system, and one of paramount importance to the Government's millions of retired, active, and future employees and their families.

The subcommittee's aim was to attempt to recognize the problems resulting from past and present funding practices, to resolve any doubts of the system's financial integrity, and to develop a definite plan of action to insure its ability to fulfill its obligations.

The results of the indepth study most assuredly attest to the fact that any doubt which exists as to the system's ability to meet future commitments is attributable to funding practices that have been grossly inadequate since the program's very inception in 1920.

Federal employees have always contributed the full amount set by law, but, while the Government has contributed substantial sums to the trust funds, it has failed to appropriate regularly and systematically, on a concurrent basis, sufficient funds to meet the ultimate costs not covered by employees' contributions. In past years several methods for determining appropriations, to meet the Government's obligation to the system have been considered, and some were adopted. However, attitudes of various administrations, Congresses, and committees have changed from time to time, but facing the problem realistically has been long delayed.

The significance of expected continual deficiency increases is that the fund will ultimately be depleted unless action is taken to forestall this contingency. Thereafter, direct appropriations would be required each year, in addition to employee, and employing agency contributions, in order to meet benefit payments as they fall due. Unless steps are taken to eliminate, or at least halt the growth of, the unfunded liability, the fund balances will be drawn down and substantial direct appropriations will be required to meet future obligations.

In the committee's judgment and mine, its recommended approach, while somewhat new in concept and mechanics, is sound and will accomplish the desired results. Its impact on future budgets will be considerable, but the impact will nevertheless be far less drastic than if present funding practices continue unchanged. The longer action is delayed, the larger will be the problem to be dealt with. The committee believes that this bill will provide in full for the permanent financing of the civil service retirement system, so as to assure that there will always be enough money in the fund to permit the payment of all benefits due—in full and on time. I fully concur with the committee on these matters.

The annuity computation formula is an all-important technique of expressing basic policy decisions as to how much annuity to award specified groups of employees, and how much recognition or weight to give to length of service, level of earnings, and other relevant factors in arriving at the amount of annuity.

Substitution of the final salary, of the salary in the last full year of employment, of a high-2 average, or of a high-3 average have all been urged as remedies. Each of these would be more advantageous than the high-5 average from the viewpoint of most employees, of course, in that each would produce more favorable annuities.

On balance, it is my judgment that the high-3 average appears to be the best available alternative from the standpoint of both the Government and the employees. Normal costs will be increased by 0.07 percent of payroll—from 13.86 percent to 13.93 percent—or $15.4 million annually—$7.7 million each from employees and agencies—but will be fully covered within the normal cost financing provision of section 102 of this legislation.

A continuing concern has been expressed over the years that, while some employees are heavy sick leave users toward the end of their careers, many others retire with substantial balances accumulated by virtue of conscientious usage of the sick leave privilege. While one-third of all retirements are for disability—and such retirees are properly entitled to the full protection provided by their sick leave—the leave problem is brought within the scope of this legislation because the use of sick leave by employees otherwise planning to retire is creating difficulty for Federal agencies.

Recent studies indicate that there is a growing tendency, particularly among State and municipal governments, to provide some form of recognition for unused sick leave at the time an individual retires or dies while employed. In instances where a lump-sum payoff is provided, this recognition frequently equals 50 percent of the cash value of the unused leave. Statistics disclose that, since the adoption of such plans, overall sick leave usage has declined from an average of 8 to 7 days yearly. Further, that such a payoff is not quite unique is demonstrated by the practice in the Canadian Government's retirement system of continuing to pay a retired employee the equivalent of full salary and annuity benefits for the period equal to his unsued sick leave.

The bill provides a limited measure of recompense for unused sick leave by increasing the total actual service performed by an employee—who retires on an immediate annuity or dies leaving a survivor or survivors entitled to annuity benefits—by the length of service representative of the calendar value of his unused sick leave. An employee who has met the age and service requirements for immediate retirement, such as one who is age 55 and has served 30 years, for example, will have his service increased by 1 calendar month for each 22 days of unused leave; or a retired or deceased employee who has accrued sufficient leave to be carried in a paid-leave status for 1 year will be given retirement service credit of 1 calendar year. Consequently, the latter employee's annuity would be computed upon 31 years of service. The additional service so granted, however, shall not be counted in determining average pay or in attaining eligibility for retirement.

This legislation embraces a change in the basic historical philosophy underlying the sick leave system, and grants a

limited recognition to those employees who have prudently utilized the sick leave privilege. It is expected that by providing a benefit as an additional incentive to conserve sick leave, there will be extra consideration given by employees, generally, to the use of the leave as it is earned. By crediting such accruals, normal cost will be further increased by 0.06 percent of payroll—from 13.93 to 13.99 percent—or $13.2 million, but will be fully covered within section 102 of this bill.

It is the consensus of the committee that such additional costs will be significantly offset by the savings resulting from a reduction in the number of days of average sick leave usage throughout the Federal service. Again, I concur with the committee.

Federal staff retirement systems represent a mixture of insurance and humanitarian principles. In the matter of adjusting annuities after retirement, insurance practice would guarantee that whatever annuity an employee had earned at the time of retirement should be preserved without change. On the other hand, humanitarian considerations would urge that the welfare of the retired person is the major concern, and that annuities should be adjusted to changing needs. The latter theory has prevailed through congressional action; but putting theory into practice has proved difficult.

The level of benefits at the time of retirement is established by a formula based on service and salary. The needs and desires of annuitants are influenced by the cost of living and also the general level of standards of living. When these variables are stable or declining, annuity adjustments are no issue; this was essentially true from 1920 to 1945. When the variables increase, however, problems arise; and that has been the situation continuously since the end of World War II.

The Congress has tried a variety of devices to cope with the problem. After the Civil Service Retirement Act was passed in 1920, civilian salaries were adjusted by the Classification Act of 1923 and a subsequent increase in 1925; but a retirement recomputation principle was never adopted. In 1926 and 1930 new formulas for computing benefits were introduced. Annuities for persons already retired were increased to the levels provided by the new formulas. Under the 1930 act the maximum benefit was $100 a month, and most employees retiring after a full career received this amount. During the 1930's salary schedules were stable except for temporary flat percentage cuts, and no changes were made in annuity formulas. The cost of living and general standard of living declined. Annuitants were relatively well off and, therefore, annuity adjustments were no issue.

During World War II, wartime controls ruled out any general action on salaries and annuities alike. However, one change was made: the $100-a-month lid on annuities was removed in favor of a percentage of high-5 average, thus benefiting higher paid employees—which at the time meant those paid over $2,800 a year. In 1946 this provision was also extended to cover employees who had retired before the amendment was passed.

As a result of inflation during and after the war, both active and retired employees found themselves in a new and bleaker economic world. The Consumer Price Index in 1946 stood 40 percent above the 1939 level. In 1951, with a boost from the Korean conflict, it reached 87 percent. Fortunately, civilian production recovered rapidly and action was taken to restore lost values, at least in part.

By 1956, pay schedules for most active employees, and annuities for new retirees, had pretty well caught up with the cost-of-living increase since 1939. However, national productivity still increased and wages and salaries in industry continued upward. Annuitants who had retired before the effective date of the 1956 act received a 10-percent cost-of-living raise. Those retired later received nothing under that act.

In 1962 a major effort was begun to establish annuity adjustments on a stable basis. The act of October 11, 1962, first established the principle that Federal civilian salaries should be comparable with industry salaries for similar work, and new salary schedules took steps toward effecting the principle. The act also established the policy that the purchasing power of annuities would be maintained by adjusting benefits automatically whenever the Consumer Price Index for a year exceeded the base year by 3 percent. At the same time, annuities for 1962 and earlier years were raised by 5 percent; and to supplement the effect of the 1962 increases on high-5 averages, annuities for 1963 were raised by 4 percent, for 1964 by 3 percent, for 1965 by 2 percent, and for 1966 by 1 percent. Further, the 1952 and 1955 ceilings on annuity increases were abolished, so that all earlier retirees got the benefit of previous increases.

The Consumer Price Index had increased 118 percent from 1939 to 1962, and while the Consumer Price Index formula was a welcome innovation, its operation disappointed annuitants. It fell barely short of forcing an automatic increase in 1965 and left them to wait another year.

The 89th Congress reacted by passing new legislation in 1965. The Consumer Price Index formula was revised to provide automatic increases whenever the Consumer Price Index rose by 3 percent over the previous base period for 3 successive months. The new formula generated an automatic increase of 4.6 percent for all annuitants in 1965. In addition, the Congress provided additional increases of 6½ percent for civil service retirement annuitants who had retired before October 1, 1956, and 1½ percent for those who retired between that date and December 31, 1965—an average of 7½ percent. Subsequent automatic adjustments of 3.9 percent, respectively, have become effective on January 1, 1967, May 1, 1968, and as recently as March 1, 1969.

If the present Consumer Price Index formula had been in effect since 1920, it presumably would have been suspended during the period of wartime inflation as a result of wartime controls. After the war, however, it would have provided a guide more effective than any then available for bringing the value of annuities back to a reasonable relation with the rest of the economy. Once the annuities regained their original purchasing power, the formula would have maintained them by prompt and equitable action when living costs rose further.

While values are in better balance now, on the whole, than at any time in the past, a notable deficiency continues to exist. A period of 5 months elapses between the initial month in which the Consumer Price Index rises by 3 percent over the previous base month and the month in which the cost-of-living adjustment is reflected in the annuity checks. During that elapsed period the Consumer Price Index continues its upward trend, generally attaining a level in excess of 1 percent of the actual percentage rate of adjustment.

In order to correct this serious deficiency in the adjustment formula and thereby compensate retirees and survivor annuitants for the intervening incremental rises in the cost of living. H.R. 17682 will add 1 percent to all future percentage adjustments. For example, if the highest level attained during the 3-month measuring period equals 4 percent, an additional 1 percent will be added thereto and result in an automatic adjustment of 5 percent. Annual costs would be increased by approximately $23 million on each occasion.

Mr. Chairman, the above constitutes a synopsis of the views of the Committee on Post Office and Civil Service, with which I am pleased to join.

Mr. Chairman, this bill (H.R. 9825) vigorously attacks a number of inequities presently existing in the civil service retirement system. I strongly feel that the Congress must meet its obligations to the millions of dedicated workers in the Federal service. I urge passage of this essential legislation.

Mr. KEE. Mr. Chairman, I take this opportunity to thank my very dear friend of many, many years standing (Mr. CORBETT of Pennsylvania) for his courtesy in yielding.

Mr. Chairman, I rise to commend Chairman DANIELS, and the members of the Subcommittee on Retirement, Insurance, and Health Benefits, and all of the members of the Committee on Post Office and Civil Service for reporting H.R. 9825, sound legislation now under consideration, which was cosponsored by 24 of 26 members of the committee.

Under the wise and able leadership of our distinguished colleague (Mr. DANIELS), of New Jersey, we have before us legislation that deserves the unanimous support of every Member of the House without amendment. This measure was reported unanimously by the subcommittee, and by the full committee it was supported by a vote of 22 yeas and 1 present, and with not a single nay. Mr. Chairman, I submit to the Members of the House, this is an excellent example of bipartisan support.

For 1½ years, the subcommittee

chaired by Mr. DANIELS has devoted full time and attention in extensive public hearings.

Title I improves the financial condition of the civil service retirement fund.

Title II provides moderate liberalization, which will amply be covered by title I. This is sound fiscal legislation.

I should note that the employees of the executive branch of Government are by law required to contribute to the fund.

The members of the legislative branch, including Members of Congress and congressional employees, are the only Government employees who have the choice of choosing to participate or not to participate. Some do, and some do not. The choice is up to the individual alone.

I might point out at this time that members of the executive branch, once they are appointed, even on a temporary basis, do contribute. But when they stay and they are qualified, for permanent civil service status, they have their jobs for their lifetime, as long as they perform their assigned duties in an acceptable fashion.

The Members of the House, however, have to go before the electorate, before the voters of our districts, twice every 2 years. We have to report to our people in our primary elections and in our general elections. Our congressional employees are dependent upon our success. Without them, of course, none of us could be successful.

Mr. Chairman, I should also like to add that our Nation was founded with the idea that our Nation would survive or fall upon the performance of the U.S. House of Representatives.

This legislation is designed to fulfill this sacred obligation. As we look to the future, this measure, when approved, will serve to help attract some of the most capable and qualified citizens into public service. Because of this fact, our country will benefit.

Therefore, Mr. Chairman, this legislation is an investment in the future of America.

Mr. Chairman, I respectfuly, therefore, urge every Member of this House, and I strongly beg and plead with every Member of this House, let us pass this measure unanimously, without a single amendment.

Mr. CORBETT. Mr. Chairman, I yield such time as he may consume to the gentleman from Washington (Mr. PELLY).

Mr. PELLY. Mr. Chairman, this legislation to provide proper financing for the retirement fund is long overdue.

Mr. Chairman, the question here, to my mind, is whether the good outweighs the bad. No one opposes the objective of H.R. 9825; namely, to improve the financing and funding practices of civil service retirement. For years I have called for legislation to eliminate the $57 billion deficit in the system. This title I of the bill would accomplish. But, by the same token, title II of the bill would increase the unfunded liability, and I oppose that.

Since I have been in Congress—which is more than 16 years—I have contributed to the retirement fund almost $30,000. That fund for Members of Congress has a substantial surplus, I am informed. So I do not feel obligated to vote against more benefits for Members of Congress. But this is a civil service retirement for all Federal workers, and I feel constrained to look at it in that way.

So, Mr. Chairman, when a vote comes—as I believe it will—to raise the contribution from 7½ percent to 8 per- after the consumer price index rises by 3 eliminate more deficit financing. I am for higher benefits but I want the program to be fully financed. I hope that amendment carries. I will pay 8 percent of my salary willingly for the liberalization of the program.

Also I will support a reduction in benefits, if that is necessary to bring the fund into balance.

But I support the objective of the bill. It is long overdue, and its passage, especially title I, is most desirable.

Mr. CORBETT. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Washington (Mrs. MAY).

Mrs. MAY. Mr. Chairman, I find it most objectionable that this bill contains provisions which would liberalize the retirement financing and benefits for Members of Congress. I submit that the people of this Nation will view this section of the bill as further special benefits which Members of Congress bestow upon themselves.

Mr. Chairman, can anyone doubt that the American people are upset about the 41-percent increase in pay that the House of Representatives allowed themselves this year? And just before asking the people to submit to an extension of the income tax surcharge?

As far as I am concerned, Mr. Chairman, the provisions for Members of Congress in this bill are just as untimely as was the pay increase for Members earlier this year.

It is possible that my opposition to benefits for Members of Congress may be construed by some as opposition to retirement financing improvements and benefits for civil service workers. This is not so. I fully recognize the need to improve the situation of civil service employees, and I have always supported those provisions of the bill. But I cannot in good conscience support a bill that retains these benefits for Members of Congress.

It would be wonderful if our national economy and budgetary situation were such that we could do anything we wanted to do. We tried that for the past few years, Mr. Chairman, and as a result we are faced with economic catastrophe.

To survive, we must realine our national priorities and a good place to start is right here in this Chamber.

I will not vote for any bill that contains any monetary benefits for Members of Congress. Not with the taxpayers of this Nation being asked to tighten their belts and pay high taxes at the same time.

Mr. FARBSTEIN. Mr. Chairman, I rise in wholehearted and enthusiastic support of H.R. 9825, legislation to liberalize and reform the civil service retirement system.

This bill takes a series of much needed steps in the direction of directly improving benefits for recipients. The program currently computes retirement benefits on the basis of the average of the high-5-year salary. H.R. 9825 would substitute a high-3 average computation for the present high-5, the cost of the increased benefits are taken into account in the financing provided by the bill. The high-3 substitute is an especially welcome provision of the bill because it would assure that retirement benefits more closely resemble a person's final salary—which is generally also his highest salary—than does the present high-five computation.

The civil service retirement program now increases retirement benefits to match cost-of-living increases 5 months after the consumer price index rises by 3 percent. In order to compensate for this 5-month lag in providing retirees with increased benefits, H.R. 9825 provides that the cost-of-living increase paid to retirees would be 1 percent higher than the rise in consumer price index.

Under present law, widows and widowers of Government employees may remarry after age 60 and still receive annuities if their deceased spouses were employed after July 18, 1966. The bill under consideration would extend these benefits by applying this provision to all widows and widowers whose remarriage took place on or after July 18, 1966.

H.R. 9825 makes an additional improvement in the program by giving credit for unused sick leave. Presently, employees seem to use an inordinate amount of sick leave during their last year of service. In order to encourage them to accumulate it rather than use it unnecessarily, this bill would provide that accumulated sick leave would be given credit in the computation of retirement benefits. The cost for this provision, too, is covered by the bill's financing provisions, though the committee reports that it believes that the savings resulting from the decreased use of sick leave would greatly offset the increased costs.

This legislation would also put the civil service retirement program on a much sounder financial footing. The need for this legislation has been sorely felt for a number of years. If no changes are made in the benefits or the financing of the program, it is forecast that the civil service retirement funds will have a zero balance in 18 years.

Thousands of men and women have chosen to serve their country in one of the most direct possible ways; by working for their national Government. As a legislator and also as a citizen, I am grateful to them. And I am anxious for them to have advantages similar to those they would receive in the private sector. The level and type of employee retirement benefits without doubt present one of the areas where the good intentions and the ultimate fairness of the Government can be clearly judged. Up to this time, the judgment on the matter of equitable and sound retirement benefits would have gone against the Government. The Congress now has an opportunity to reverse that judgment; I urge that we make use of that opportunity by passing H.R. 9825.

Mr. FEIGHAN. Mr. Chairman, I support H.R. 9825, which has tremendous significance for all Federal employees,

legislation that will vastly strengthen and renew our confidence in the civil service retirement system. This bill will greatly improve the financing and funding practices of the retirement fund.

Federal employees have consistently contributed to the Government's retirement since its inception in 1920 with the assumption that their contribution would be supplemented with allotments from the Government, thereby enabling them to live comfortably in their golden years. Now it seems that this hope for a comfortable retirement may be endangered due to a lack of sufficient moneys in the retirement fund. While the Government has contributed substantial sums to the fund since 1920, it has failed to appropriate regularly and systematically, or on a concurrent basis, sufficient funds to meet the ultimate costs not covered by employee contributions. Unfortunately, none of the several methods of financing proposed from 1920 through 1957 provided for an automatic reflection of the Government's share of retirement costs in annual appropriations. As the Committee on Post Office and Civil Service pointed out in its report:

> The stabilization of employment during the early fifties, combined with sporadic and inadequate employer contributions, made it apparent that as the system matured, annual trust fund revenues would soon be less than benefit payments.

For these reasons, the deficiency, or the unfunded liability in the fund when computed for fiscal year 1969 is expected to have reached a level of $57.7 billion.

To meet this deficiency, three major provisions are contained in H.R. 9825, which will dramatically alter the financing of the system. The bill would raise Government and employee contributions to the civil service retirement fund from 6.5 to 7 percent and from 7 to 7½ percent for congressional employees. A second provision calls for costs of future unfunded liabilities from benefit liberalizations, salary increases, and extensions of coverage to be met by the Government through appropriations to the fund in equal annual installments over a 30-year period. Third, the bill provides for appropriations to meet the Government's presently increasing unfunded liability in amounts equal to the interest on future accrued deficiencies.

The possibility that the fund eventually may be depleted demands our prompt action today. It is up to us now to take the necessary steps to insure a viable fund for the hundreds of thousands of dedicated Government employees who comprise our federal system.

Along with the above provisions, H.R. 9825 is designed to increase substantially the retirement benefits available to Government employees by computing retirement annuities on the highest 3 instead of the present 5 years of average salary and granting civil service employees credit at retirement for unused sick leave.

It was disclosed during the committee's consideration of H.R. 9825, that there is a growing tendency, particularly among State and municipal governments, to provide some form of recognition for unused sick leave at the time an individual retires or dies while employed. Such a policy has acted as an incentive to employees to conserve their sick leave in anticipation of applying this unused time to their length of service when computing retirement benefits. The bill provides that unused sick leave shall not be counted in determining average pay or in attaining eligibility for retirement. This provision has long been a goal of the Government employee unions and would guarantee that those employees who have judiciously utilized their sick leave will receive adequate compensation in their retirement years.

Federal employees nationwide are eagerly awaiting congressional action on this bill and are universal in their hopes for prompt passage of comprehensive reform legislation. I urge my fellow Members to give their full support to the provisions of this bill.

Mr. LEGGETT. Mr. Chairman, as a matter of fiscal integrity and commonsense, the House should pass H.R. 9825. This is a very well-structured bill that both puts the civil service retirement trust fund on a fiscally sound basis as well as providing increased benefits for retired personnel.

Title I of this act proposes a positive plan of action to solve the problem of financing the system by improving past and present funding practices which have proven to be inadequate. It is not the employee contributions which have caused the present troubles, but rather, the method of computation of agency contributions. By the end of this fiscal year, the unfunded liability of the system will be over $48 billion. Under the present financing system, the unfunded liability will continue to grow by more than $1.5 billion each year. If the system is continued disbursements will outstrip revenues by 1974. At the present time there is a balance of somewhat more than $17.1 billion in the trust account. This balance willl be totally depleted by 1987 under the current contributory system.

Although total collapse of the civil service retirement system is still 18 years away, it is incumbent upon us to take remedial action now so as to avert the consequences which are so clearly indicated.

While Government employees have always contributed their share to the fund, the Government has not appropriated sufficient sums with any regularity, and the sums so contributed have not been sufficient to meet the portion of accrued costs attributable to the Government contribution account.

While I have already pointed out that the fund is still sufficient to meet present and immediately future obligations, the laxity in Government contribution has resulted in a loss of possible interest which now amounts to $1.7 billion per year.

This is not the whole story however. While the fund can meet existing obligations, actuarial studies indicate that at the present time—right now—no funds exist in respect of nonretired persons, whether to their accrued annuities or as to their own accumulated contributions. A private insurance company certainly could not operate in this manner and retain its license. I see no reason why the Federal Government should be automatically entitled to a stance of fiscal irresponsibility.

It is contended, however, that modern economists generally accept that Federal retirement systems, backed by the "Full Faith and Credit of the United States" need not accumulate reserves to the same extent that are required of private pension plans. This concept may be valid, and is certainly necessary when we are involved with mandatory spending programs in which deficit financing is the only alternative to no program at all. Here however, we are presented with a financial package which will go far to reduce the expected deficit in the trust fund without dislocating any other options. The ultimate conclusion is clear. If title I is not passed, the future deficiencies will have to be met by annual appropriations in addition to employee and agency contributions. Title I offers a solution which must be accepted.

Title II of this bill provides for certain limited increases in benefits, both cash and otherwise. It is the title II programs which have generated an enormous amount of mail to my office. This mail is overwhelmingly in favor of the bill, and I am sure that most of my colleagues share this experience. I fully support that section of the bill providing that the retirement annuity be based on the high 3-year average rather than the present high 5-year average. The present 5-year standard tends to keep Government employees on the job beyond the age when they would normally retire, is not consistent with retirement schedules now becoming prevalent in industry, and does not necessarily reflect the rationale behind the program—which is to reward the Federal employee in a manner commensurate with his contribution to the Government.

Equally valuable is the section of the bill providing a credit for unused sick leave. This section is the most morally justifiable provision in the bill, for it rewards those persons who have shown a competence and responsibility far above that of the average civil service employee. At present, unused sick leave is forfeited if not used. It has been common for many employees to use up their accrued sick leave prior to retirement. This, of course, results in long absences from work, and in the case of agencies under hiring curbs, work not completed. Many of the conscientious and often high level employees recognize their responsibilities however, and do not take advantage of their accrued sick leave. When the retirement date arrives they must forfeit this leave. In essence, the present system penalizes the competent employee and rewards the irresponsible employee.

It is argued that inclusion of this section will set a bad precedent, and that inclusion of this section implies that the present sick leave policy is being abused. I think the present policy is being abused. Agency reports confirm this.

While the purpose of sick leave is to provide income for a certain amount of time for those employees who are absent from work due to illness, experience clearly shows that as many employees reach retirement, they go through long

periods of "illness" and then experience a quick recovery upon separation. Contrary to the supplemental views in the committee report, I do not feel that inclusion of this section will result in employees reporting for work if they are sick in order to gain the credit.

Crediting unused sick leave will in all probability result in increased efficiency as the long-term employee will have the incentive to continue active work up to the time of official separation.

In conclusion, I am convinced that H.R 9825 is a well thought out package which will stabilize the present chaotic system and provide the necessary benefits that have been lacking and which are certainly due the Federal employee.

Mr. EILBERG. Mr. Chairman, it is with a great deal of pride and a sense of relief that I rise today to give my support of H.R. 9825. I am sure all my colleagues will agree that the bill was a long time getting to the floor and those of us who have cosponsored the legislation are just plain glad it is here now.

I am hopeful that we will pass this bill again this year as we did at the end of the 90th Congress. When it is enacted, it will insure the solvency of the civil service retirement system and make some improvements in that system which are long overdue so that it will be more modern and capable of meeting the present and future needs of our retired civil servants.

I believe that maintenance of the civil service retirement system is one of the most important responsibilities of the Congress. It is an essential part of the modern employment system which we have tried to develop to attract and keep employees of the highest caliber to conduct the complex business of Government. Enactment of H.R. 9825 will contribute greatly to the financial security of the many past civil servants and their families as well as to future retirees. It will represent a landmark in our efforts to maintain the system and remove any doubt as to the retirement fund's ability to meet its commitments to our Federal civil servants.

The results of a comprehensive study conducted by the Committee's Subcommittee on Retirement, Insurance, and Health Benefits testifies to the need for this legislation. Federal employees have always contributed the full amount to the fund but, while the Government has contributed substantial amounts, it has failed to appropriate regularly and systematically sufficient amounts to meet the ultimate cost of the system which are not covered by employee contributions.

At the end of the 1968 fiscal year, the unfunded liability of the system had approached $55 billion. If we do not pass this bill, under current system funding practices, this unfunded liability will continue to grow at the rate of $2 billion per year. When the latest salary statute was implemented and Federal salaries at last in most cases came within striking distance of comparability, this coupled with cost-of-living increases for annuitants increased the unfunded liability to about $60 billion. The need for action is evident and I am confident that we will decide overwhelmingly to take that action today and approve this bill.

Mr. Chairman, I am alarmed that the Bureau of the Budget recommended against enactment of some provisions of this bill specifically those which would liberalize existing benefits in the following ways: First, gross earnings, rather than basic pay should be used in determining retirement benefits and deductions; second, average salary for annuity computation purposes would be determined on the basis of 3 rather than 5 years of service; third, unused sick leave would be added to actual length of service in computing annuities; fourth, an extra 1 percent would be added to each annuity increase resulting from changes in the consumer price index; and fifth, amendments which permit continuation for the annuity when a surviving spouse remarries after reaching age 60, and restoration of annuity upon termination of a remarriage which occurred before age 60, would be made applicable to all cases in which remarriage occurs after July 17, 1966.

I support all these provisions and I hope that my colleagues feel likewise. Enactment of this legislation is absolutely necessary to the continued efficiency of our Government.

Mr. FASCELL. Mr. Chairman, today we consider what I am sure will be one of the most worthy bills to come before this session of Congress. Basically, it is legislation to provide just retirement benefits for our Federal employees, and improve the funding of the civil service retirement program.

I am sure that there will be general agreement on the objectives of this legislation. I have cosponsored a bill, H.R. 10219, identical to the measure before us, and so have many other Members. The need for this type of improvement is clear and compelling, for it is imperative that we provide adequately for the retirement of career Government workers who have devoted their lives to public service.

H.R. 9825 is a "clean bill" in that it is a final version of similar legislation which has long been studied by this body. It incorporates refinements and improvements which reflect the extensive consideration devoted by the Congress to this field. No Senate action was taken on the similar bill passed unanimously by the House in the last Congress, but in view of the increasingly severe hardship caused on retirees by inflation, I feel confident that the other body will be in a more receptive mood this year.

One of the best elements of this bill is its provision reducing the average pay computation period to 3 years from the present 5 years. This provision is strongly endorsed by employees and their professional organizations, and it deserves our wholehearted support. It is needed in part because of the recent pay increases we have enacted to bring Federal employee salaries into closer comparability with private enterprise salaries. It would do little good for thousands of valuable Government employees if we raised their pay briefly before retirement, then computed their retirement income based on 5 years of previous salaries that were admittedly inequitable. Justice demands that we at least reduce the computation period to 3 years so that the pay increases which we found to be justified are taken into better account.

During this period of rapid escalation, those whose pay has finally been brought to comparability with the rest of the Nation should not be penalized by continuation of the 5-year base period. This long a period overlooks the rapidly changing nature of the Government pay structure and our efforts to upgrade Federal salary levels.

The other provisions of this measure are also sound. By adding unused sick leave to the length of service of an employee who is retiring or has died while employed, for example, we are justifiably rewarding the employee's good work and attendance record. This provision will add a significant incentive for employees to not "use up" all of their allowable sick leave during their years of service and should result in large savings to the Government.

To help pay for the increased benefits, the bill adds an extra 1 percent to the rate of employee and agency contributions to the retirement fund. This contribution would rise to 7½ percent from the present 6½ percent, but I feel that the overwhelming number of our Government employees will be happy to share this additional burden in view of the higher benefits they will eventually receive.

As one who has supported an adequate civil service retirement program throughout his congressional service, I enthusiatiscally endorse this legislation. I hope and expect that we can win its final enactment in the current Congress, thereby meeting our responsibilities to our faithful Federal employees.

Mr. BIAGGI. Mr. Chairman, I would like to express my complete and enthusiastic support for H.R. 9825.

This bill will effectively ameliorate our present civil service retirement system. That this program needs improvement is quite obvious. The unfunded liability of the system was $18.1 billion in 1958, and jumped to $57.7 billion at the close of fiscal year 1968. At this terrifying rate of increase, it is anticipated that if no changes are made in the law, the civil service retirement trust fund will have a zero balance in about 18 years.

To preclude such a dire financial crisis, H.R. 9825 utilizes a three-pronged approach to the problem. First, and of greatest importance, the bill provides for payment of the interest accruing on the $57.7 billion. This would be accomplished by paying 10 percent of the interest in 1970, 20 percent in 1971, 30 percent in 1972, et cetera, until 1980 when all of the interest would be paid up. In such a manner, the astronomical growth of the unfunded liability would be stopped since the interest is what is responsible for the major increase of this deficit.

Second, the bill would assure any increase in principal that may occur through further liberalization of the program would be paid for by the Government in 30 equal annual installments.

In order to fund the above two financial improvements, H.R. 9825 would raise employee and agency payroll contributions one-half of 1 percent, from 6½ to 7 percent. This contribution increase would be effective January 1970.

In addition to promoting a health financial situation, H.R. 9825 would also considerably improve the benefits derived from the civil service retirement program. There are four of these major improvements.

First, the bill calls for an increase in benefit payments 1 percent greater than the rise in the cost of living. This would alleviate the present lag in the timing of the benefit increase since it takes at least 5 months before the increase takes effect. Since the cost of living generally goes up month by month, this 5-month lag in increase can sometimes be most serious.

Second, the bill will provide for the restoration of benefits to certain remarried widows who are denied them only because their spouse died or retired before July 18, 1966.

The third benefit improvement which H.R. 9825 would make is to change the number of years of high salary from 5 to 3 on which retirement benefits are based. In this way, the retirement benefits would be more closely related to the salary at time of retirement—normally the highest—and would lessen the tendency of employees to postpone retirement indefinitely.

Finally, the bill would provide that in the computation of annuities credit would be given for unused sick leave accumulated by an individual at the time he retires. This would of course encourage employees to accumulate sick leave rather than to use it unnecessarily, particularly as some do during their last year.

For all of these important and significant reasons, I heartily endorse H.R. 9825. Thank you.

Mrs. GREEN of Oregon. Mr. Chairman, I rise in support of legislation being offered to the House today by my disinguished colleague DOMINICK DANIELS and the hard-working members of the Subcommittee on Retirement, Insurance, and Health Benefits.

It is a special pleasure to support H.R. 9825. Chairman DANIELS and his colleagues have engaged during the last year and one-half in the sort of conscientious and thorough preparation of legislation that is a credit to all of us in the Congress. The subcommittee has conducted a searching examination of the civil service retirement program, and the result of that study is an admirable piece of legislation which deserves the wholehearted support of everyone in this Chamber.

The Federal Government must be able to attract and retain the most dedicated and best prepared people in the Nation. And those people who enter Government service have every right to expect adequate retirement payments in return for their years of service. Thus, this legislation is another investment in efficient government and in dedicated people.

Moreover, I cannot emphasize enough that the Congress must be more responsive to the needs of our senior citizens generally. There are thousands of older Americans who live in real poverty. And there are millions of older Americans who subsist on the most meagre of resources: budgeting themselves rigidly so that they may take an afternoon bus ride, or buy a Sunday newspaper, or a new pair of shoes. This is an unacceptable living situation; and I contend that the poverty of the aging in America is assuredly the most unnoticed—but in many ways the most compelling. Theirs is the worst poverty of all, for it is companion to the loneliness of silence.

If the House would take an important step toward reassuring the American people that it will not tolerate economic deprivation among the elderly, this body will authorize the provisions of H.R. 9825, which will make our retirment program for Federal employees financially secure, adequate in payments to retirees, and equitable in structure. Specifically, the House will have addressed itself to the financial necessities of Government employees in their later years. But in the larger framework, the House will have indicated its concern and determination to insure financial security for all of our older citizens.

This bill puts the retirement fund on a sound basis through an improved program of financing and funding. In meeting the need for resources, H.R. 9825 increases the rate of employee and employer contributions from 6½ to 7½ percent.

Important improvements are made in retirement benefits. The average pay computation period is reduced from 5 years to 3 years. The bill takes a realistic approach to the rise in the cost of living and the inadequacy in the adjustment formula. Unused sick leave is added to length of service of an employee who is retiring.

H.R. 9825 was thoughtfully prepared. It is a practical response to the retirement needs of Federal employees. H.R. 9825 deserves the immediate attention and support of both Houses.

Mr. MIZELL. Mr. Chairman, I rise in support of the amendment offered by my colleague from Alabama, Mr. JOHN BUCHANAN.

I think his bill would completely eliminate the controversy which surrounds this piece of legislation. I do not think that we should do anything at this time that would lead the citizens of this country to believe that this body is voting special privileges for themselves, so therefore, I favor Congressman BUCHANAN'S amendment to base the retirement for Congressmen on 5 years of service instead of at the 3 highest salaried years as is proposed in the bill.

The purpose of this legislation should be to strengthen and improve the retirement for civil service employees and not special benefits for Congresmen. I urge the passage of this amendment which I think would greatly improve the bill and make it more acceptable.

Mr. FRASER. Mr. Chairman, I wish to state my strong support for H.R. 9825, to strengthen the civil service retirement system. This bill which sets new and liberalized retirement benefits is, in my opinion, absolutely necessary.

At a time when we must, more than ever, attract and hold competent individuals in the civil service, we must build a retirement fund that is on a par with the best of labor unions and private industries. Certainly, we cannot allow Government employees to suffer from substandard pension programs.

The report of the Post Office and Civil Service Committee noted that the deficiency in the retirement fund will reach $57.7 billion this year. By 1975, the disbursements, because of the increased number of eligible people, will skyrocket beyond the income level, which will remain relatively static over the next 6 years. If we would allow such a situation to develop, the soundness of our civil service system would reach a low point.

I also would like to express special support for that provision of the bill which provides for an adjustment of the benefits to the cost of living. The inflation we are currently experiencing has made us painfully aware of the suffering of those living on fixed incomes and pensions. Is this a proper reward for years of faithful Government service?

The Post Office and Civil Service Committee has worked long and hard in producing such a fine piece of legislation. I urge the immediate adoption of this bill.

Mr. BROYHILL of Virginia. Mr. Chairman, I rise to endorse with all the vigor at my command and to urge passage of the legislation we are considering today, to improve both the financing and benefits of the civil service retirement provisions.

On March 13, 1969, I urged the Congress to give the earliest consideration to H.R. 770, predecessor of H.R. 9825, introduced on the first day of this Congress by the distinguished gentleman from New Jersey (Mr. DANIELS). On that same day I introduced a companion bill, H.R. 8924, to add to my verbal support for this legislation.

When the bill under consideration today, H.R. 9825, was reported by the Subcommittee on Retirements, I again added my support to this revised bill by cosponsoring another companion bill, H.R. 10219, on April 16, 1969.

Needless to say, Mr. Speaker, I am very much interested in this Congress taking the necessary steps to insure the financial soundness of the civil service retirement fund and to improve benefits to annuitants under the civil service retirement system.

The chairman and members of the Committee on Post Office and Civil Service are to be commended for the more than 2 years of work they have done in formulating this legislation and bringing H.R. 9825 to the floor of the House. The modifications of the original bill have been minor, and I believe they insure its passage by both Houses of the Congress.

The soundness of the fund is insured by raising the deduction from an employee's base pay from 6½ to 7 percent for classified employees and from 6½ to 7½ for Members and employees of the Congress. With the fund now over $55 billion in the red, the need for this increase is obvious, as is the like increase in the Government's employer contribution.

The high 3-year average in determining base pay for annuity computation purposes rather than the previously enacted high 5-year average is completely justified and long overdue, as is the provision that unused sick leave can be added in computing the employee's

total actual service performed for annuity computation. Finally, a 1 percent addition to all future automatic cost-of-living adjustments will go a long way toward bringing Federal annuities up to the level we would hope to provide for our retired civil service employees.

Mr. Chairman, H.R. 9825 provides for urgently needed improvements in our civil service system, and I urge our colleagues to support it.

Mr. GAYDOS. Mr. Chairman, in view of the unfavorable public reaction to the congressional salary increase earlier this year and the subsequent loss of confidence by the people we represent, I am disappointed to learn that H.R. 9825 includes some self-serving provisions. It is my understanding that a motion will be made to recommit this bill in order to strike these self-serving provisions. I intend to vote for this recommitment with the hope that this legislation will be returned to the House floor unencumbered by these objectionable provisions. The necessity to increase the current funding provisions of the civil service retirement system is fully recognized; however, as a conscientious body, we must stricken the self-serving provisions from this bill in the interest of fairness. If the motion to recommit fails, I intend to vote for passage of this bill because of the great necessity for improvements in the Civil Service Retirement Act.

Mr. CORBETT. Mr. Chairman, we have no further requests for time.

Mr. DANIELS of New Jersey. Mr. Chairman, I rise at this time merely to state I have no further requests for time, and to take this opportunity to express to Members who have participated in this debate my gratitude, and also the gratitude of the subcommittee for their serious concern over this very vexing problem we face here today.

The budgetary impact of solving the problem has resulted in congressional, as well as Executive, hesitation; so we have gone much further today in trying to solve this problem than we ever have done before.

I think we have before us a program for the financing of the Retirement Fund which is very sound and businesslike. I urge all Members of the House on both sides of the aisle to give their support to this bill without any crippling amendments.

The CHAIRMAN. There being no further requests for time, the Clerk will read.

The Clerk read as follows:

H.R. 9825

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

TITLE I—CIVIL SERVICE RETIREMENT FINANCING

SEC. 101. Section 8331 of title 5, United States Code, is amended—

(1) by striking out "and" at the end of paragraph (15);

(2) by striking out the period at the end of paragraph (16) and inserting a semicolon in lieu thereof; and

(3) by adding immediately below paragraph (16) the following new paragraphs:

Mr. SCOTT. Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

Mr. GROSS. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Clerk will read.

The Clerk read as follows:

"(17) 'normal cost' means the entry-age normal cost computed by the Civil Service Commission in accordance with generally accepted actuarial practice and expressed as a level percentage of aggregate basic pay;

"(18) 'Fund balance' means the sum of—

"(A) the investments of the Fund calculated at par value; and

"(B) the cash balance of the Fund on the books of the Treasury; and

"(19) 'unfunded liability' means the estimated excess of the present value of all benefits payable from the Fund to employees and Members, and former employees and Members, subject to this subchapter, and to their survivors, over the sum of—

"(A) the present value of deductions to be withheld from the future basic pay of employees and Members currently subject to this subchapter and of future agency contributions to be made in their behalf; plus

"(B) the present value of Government payments to the Fund under section 8348(f) of this title; plus

"(C) the Fund balance as of the date the unfunded liability is determined.".

Mr. BENNETT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, at this time I should like to outline an amendment which I shall offer to this bill. It is not a crippling amendment; it is a perfecting amendment. It is one recommended by the U.S. Civil Service Commission.

Mr. Chairman, the purpose of this amendment is to provide for one case I know of, which has been brought to my attention, of a constituent of mine who received advice in writing from an employee of the Civil Service Commission, acting for the Commission, that she would not forfeit her pension if she remarried. She has a letter to that effect. The Civil Service Commission regrettably acknowledges that now she has had her pension cut off, since she remarried relying on this statement. The amendment I will offer reads as follows:

Notwithstanding the prohibition contained in the first sentence of this section on the payment of annuity for any period prior to the enactment of this section, in any case in which the Civil Service Commission determines that—

(1) the remarriage of any widow or widower described in such sentence was entered into by the widow or widower in good faith and in reliance on erroneous information provided in writing by Government authority prior to that remarriage that the then existing survivor annuity of the widow or widower would not be terminated because of the remarriage; and

(2) such annuity was terminated by law because of that remarriage;

then payment of annuity may be made by reason of this section in such case, beginning as of the effective date of the termination because of the remarriage.

As I have already mentioned, the Civil Service Commisison has passed on this matter. Despite the fact that I have introduced a private bill to accomplish this same result, they feel it ought to be remedied in this bill. They prefer it be remedied in this bill. So, at a later time, when we reach the proper point in the discussion, I shall offer the amendment.

Mr. DANIELS of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. BENNETT. I am happy to yield to the gentleman from New Jersey.

Mr. DANIELS of New Jersey. I happen to be in possession of a report of the U.S. Civil Service Commission with respect to the private bill the gentleman introduced, H.R. 10356, and in substance the Civil Service Commission states that this lady acted like a reasonable and prudent person, that she made inquiry of the civil service examiner and received an opinion in writing.

I further understand that an aide in the gentleman's office who was consulted by this lady, Mrs. Hicks, also made inquiry of the Civil Service Commission and likewise was advised that if she remarried her annuity would not be cut off.

Under those circumstances, since she remarried and under the law lost her annuity, I believe it not more than fair and reasonable and in justice to this woman that we should make an exception in this case for this particular individual, who received an opinion in writing from a governmental agency. In such a case what more could one expect a private individual to do?

She did what I think is a fair, reasonable, and sensible thing, and in justice to her we ought to allow this amendment.

Mr. BENNETT. I thank the gentleman very much. I will offer the amendment at the proper time and at that time I will ask the minority to accept it.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 102. (a) Section 8334 of title 5, United States Code, is amended—

(1) by amending subsection (a) to read as follows:

"(a)(1) The employing agency shall deduct and withhold 7 percent of the basic pay of an employee and 7½ percent of the basic pay of a Congressional employee and a Member. An equal amount shall be contributed from the appropriation or fund used to pay the employee or, in the case of an elected official, from an appropriation or fund available for payment of other salaries of the same office or establishment. When an employee in the legislative branch is paid by the Clerk of the House of Representatives, the Clerk may pay from the contingent fund of the House the contribution that otherwise would be contributed from the appropriation or fund used to pay the employee.

"(2) The amounts so deducted and withheld, together with the amounts so contributed, shall be deposited in the Treasury of the United States to the credit of the Fund under such procedures as the Comptroller General of the United States may prescribe. Deposits made by an employee or Member also shall be credited to the fund."; and

(2) by amending subsection (c) to read as follows:

"(c) Each employee or Member credited with civilian service after July 31, 1920, for which retirement deductions or deposits have not been made, may deposit with interest an amount equal to the following percentages of his basic pay received for that service:

| Service period | "Percentage of basic pay: |
|---|---|
| Employee: | |
| 2½—August 1, 1920, to June 30, 1926. | |
| 3½—July 1, 1926, to June 30, 1942. | |
| 5—July 1, 1942, to June 30, 1948. | |
| 6—July 1, 1948, to October 31, 1956. | |

6½—November 1, 1956, to December 31, 1969.
7—After December 31, 1969.

Member or employee for Congressional employee service:
2½—August 1, 1920, to June 30, 1926.
3½—July 1, 1926, to June 30, 1942.
5—July 1, 1942, to June 30, 1948.
6—July 1, 1948, to October 31, 1956.
6½—November 1, 1956, to December 31, 1969.
7½—After December 31, 1969.

Member for Member service:
2½—August 1, 1920, to June 30, 1926.
3½—July 1, 1926, to June 30, 1942.
5—July 1, 1942, to August 1, 1946.
6—August 2, 1946, to October 31, 1956.
7½—After October 31, 1956.

Notwithstanding the foregoing provisions of this subsection, the deposit with respect to a period of service referred to in section 8332(b)(6) of this title performed before January 1, 1969, shall be an amount equal to 55 percent of a deposit computed in accordance with such provisions".

(b) The amendment made by subsection (a)(1) of this section shall become effective at the beginning of the first applicable pay period beginning after December 31, 1969.

SEC. 103. (a) Section 8348 of title 5, United States Code, is amended—

(1) by amending subsection (a) to read as follows:

"(a) There is a Civil Service Retirement and Disability Fund. The Fund—

"(1) is appropriated for the payment of—

"(A) benefits as provided by this subchapter; and

"(B) administrative expenses incurred by the Civil Service Commission in placing in effect each annuity adjustment granted under section 8340 of this title; and

"(2) is made available, subject to such annual limitation as the Congress may prescribe, for any expenses incurred by the Commission in connection with the administration of this chapter and other retirement and annuity statutes."; and

(2) by striking out subsections (f) and (g) and inserting in lieu thereof:

"(f) Any statute which authorizes—

"(1) new or liberalized benefits payable from the Fund, including annuity increases other than under section 8340 of this title;

"(2) extension of the coverage of this subchapter to new groups of employees; or

"(3) increases in pay on which benefits are computed;

is deemed to authorize appropriations to the Fund to finance the unfunded liability created by that statute, in equal annual installments over the 30-year period beginning at the end of the fiscal year in which the statute is enacted, with interest computed at the rate used in the then most recent valuation of the Civil Service Retirement System and with the first payment thereof due as of the end of the fiscal year in which the statute is enacted.

"(g) At the end of each fiscal year, the Commission shall notify the Secretary of the Treasury of the amount equivalent to interest on the unfunded liability computed for that year at the interest rate used in the then most recent valuation of the System. Before closing the accounts for each fiscal year, the Secretary shall credit to the Fund, as a Government contribution, out of any money in the Treasury of the United States not otherwise appropriated, the following percentages of the amounts equivalent to interest on the unfunded liability: 10 percent for 1971; 20 percent for 1972; 30 percent for 1973; 40 percent for 1974; 50 percent for 1975; 60 percent for 1976; 70 percent for 1977; 80 percent for 1978; 90 percent for 1979; and 100 percent for 1980 and for each fiscal year thereafter. The Commission shall report to the President and to the Congress the sums credited to the Fund under this subsection.".

(b)(1) The provisions of subsection (g) of section 8348 of title 5, United States Code, as contained in the amendment made by subsection (a)(2) of this section, shall become effective at the beginning of the fiscal year which ends on June 30, 1971.

(2) Paragraph (1) of this subsection shall not be held or considered to continue in effect after the enactment of this Act the provisions of section 8348(g) of title 5, United States Code, as in effect immediately prior to such enactment.

SEC. 104. Section 1308(c) of title 5, United States Code, is amended by striking out "on a normal cost plus interest basis".

SEC. 105. The proviso under the heading "CIVIL SERVICE COMMISSION" and under the subheading "PAYMENT TO CIVIL SERVICE RETIREMENT AND DISABILITY FUND" in title I of the Independent Offices Appropriation Act, 1962 (75 Stat. 345; Public Law 87-141), is repealed.

TITLE II—CIVIL SERVICE RETIREMENT BENEFITS

SEC. 201. Paragraph (4)(A) of section 8331 of title 5, United States Code, is amended by striking out "5 consecutive years" and inserting in lieu thereof "3 consecutive years".

SEC. 202. Subsection (g) of section 8334 of title 5, United States Code, is amended—

(1) by striking out the word "or" at the end of paragraph (3);

(2) by striking out the period at the end of paragraph (4) and inserting in lieu thereof a semicolon and the word "or"; and

(3) by adding the following new paragraph immediately below paragraph (4):

"(5) days of unused sick leave credited under section 8339(m) of this title.".

SEC. 203. Section 8339 of title 5, United States Code, is amended—

(1) by striking out of subsection (b) the words "so much of his service as a Congressional employee and his military service as does not exceed a total of 15 years" and inserting in lieu thereof "his service as a Congressional employee, his military service not exceeding 5 years,".

(2) by amending subsection (c)(2) to read as follows:

"(2) his congressional employee service;"; and

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

"(m) In computing any annuity under subsections (a)–(d) of this section, the total service of an employee who retires on an immediate annuity or dies leaving a survivor or survivors entitled to annuity includes, without regard to the limitations imposed by subsection (e) of this section, the days of unused sick leave to his credit, except that these days will not be counted in determining average pay or annuity eligibility under this subchapter.".

SEC. 204. Subsection (b) of section 8340 of title 5, United States Code, is amended by inserting "1 percent plus" immediately after the word "by".

SEC. 205. The provisions of subsections (b)(1), (d)(3), and (g) of section 8341 of title 5, United States Code, also shall apply in the case of any widow or widower—

(1) of an employee who died, retired, or was otherwise separated before July 18, 1966;

(2) who shall have remarried on or after such date; and

(3) who, immediately before such remarriage, was receiving annuity from the Civil Service Retirement and Disability Fund;

except that no annuity shall be paid by reason of this section for any period prior to the enactment of this section. No annuity shall be terminated solely by reason of the enactment of this section.

SEC. 206. (a) The amendments made by sections 201, 202, and 203 of this Act shall not apply in the cases of persons retired or otherwise separated prior to the date of enactment of this Act, and the rights of such persons and their survivors shall continue in the same manner and to the same extent as if such sections had not been enacted.

(b) The amendments made by section 204 of this Act to section 8340 of title 5, United States Code, shall apply only to determinations of amounts of annuity increases which are made under such section 8340 after the date of enactment of this Act.

Mr. DANIELS of New Jersey (during the reading). Mr. Chairman, I ask unanimous consent that further reading of the bill de dispensed with, that it be printed in the RECORD and be open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

AMENDMENT OFFERED BY MR. DERWINSKI

Mr. DERWINSKI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DERWINSKI: On page 3, line 9, strike out the word "and" and insert in lieu thereof a comma.

On page 3, line 10, strike out the word "and" and insert in lieu thereof a comma and the following: "and 8 percent of the basic pay of".

On page 4, immediately below "7½----After October 31, 1956." insert the following: "8----After December 31, 1969.".

Mr. DERWINSKI. Mr. Chairman, this amendment is fairly simple and self-explanatory. It would merely raise to 8 percent the figure upon which the basic pay of a congressional employee or Member shall be subject to deduction and contribution to the fund.

We have had all sorts of statements made this afternoon by Members wishing to have this fund as strong as possible and also to make the most equitable contribution possible.

I understand that this amendment is supported by the ranking member of the full committee on the minority side, and therefore I hope it will be accepted by the floor managers of the bill and that we can move on expeditiously to other items.

Would the gentleman from Pennsylvania care to comment on this?

Mr. SCOTT. Will the gentleman yield?

Mr. DERWINSKI. I will in just a moment, but first I would like to get the attention of the gentleman from Pennsylvania (Mr. CORBETT), because I understood him earlier to support such a provision.

Mr. CORBETT. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. Yes. I am glad to yield.

Mr. CORBETT. The gentleman from Virginia was going to ask if your amendment did not include congressional employees as well as Members.

Mr. DERWINSKI. Yes, it does.

Mr. CORBETT. I can inform the gentleman that the amendment I spoke in support of earlier only included Members. Now, I will go that far with the gentleman from Illinois but not the whole way.

Mr. DERWINSKI. Well, then, perhaps the gentleman could offer a substitute to my amendment to strike the congressional employees from my amendment

and then we would be in perfect harmony and could accept it and go on from here.

Mr. CORBETT. If the gentleman will yield further, I believe that this proposal only becomes fair if the 3-year formula is continued in the bill for Members. So at this particular time, with the possibility that the 3 years might be stricken from the bill, I could not support the amendment. I will take a position on the matter when I find out that the fate is of title II. I think the gentleman's amendment comes just at the wrong time.

Mr. DERWINSKI. May I say I believe the gentleman from Pennsylvania is an excellent tactician even though I may not necessarily concur in his strategy. But I think this is an amendment which as I stated earlier is self-explanatory by making the contribution for congressional employees and Members 8 percent in order to alleviate a great deal of criticism that might come from what I might say the fourth estate.

I, therefore, hope the amendment will have the quick support of the membership.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Iowa.

Mr. GROSS. Does the gentleman have a copy of his amendment at hand?

Mr. DERWINSKI. Yes.

Mr. GROSS. Would the gentleman read the copy of his amendment which, I believe, refers to page 4, between lines 7 and 8.

Mr. DERWINSKI. At page 4, immediately below "7½—After October 31, 1956," insert the following: "8—After December 31, 1969."

Mr. GROSS. That does not include legislative employees.

Mr. DERWINSKI. Let me review the language in the bill on page 3, line 10—that is right. The gentleman is correcting me properly.

Mr. GROSS. Yes; this is the amendment that the gentleman from Pennsylvania (Mr. CORBETT) said he wanted to introduce and wanted to support.

Mr. DERWINSKI. Excuse me. I misread the amendment. It was my intention, in order to help the gentleman from Pennsylvania, to offer the very amendment that he has said he would support. That is why I wanted the gentleman's attention. You may say this is a "Corbett proposal misinterpreted by DERWINSKI." It does the very thing that the gentleman from Pennsylvania will do and at this time I presume I have his support.

Mr. HAYS. Does the gentleman not think the request of the gentleman from Pennsylvania (Mr. CORBETT) was a reasonable request? You are increasing the contribution in title I. Title II is wiped out. Why should we pay more into a fund that is already stable, one where we are paying sufficiently into it now for Members of Congress?

The CHAIRMAN. The time of the gentleman from Illinois has expired.

(By unanimous consent (at the request of Mr. HAYS) Mr. DERWINSKI was allowed to proceed for 2 additional minutes.)

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. Yes, certainly.

Mr. HAYS. I think the gentleman should withdraw his amendment and offer it at a later time when we see what happens to this 3-year thing. He might get an acceptance of it.

I made a study of this, as the gentleman knows, in connection with the Foreign Service retirement last year, and found that, although the members' pension fund is not separate, it has made a profit of about 100 percent since it has been put into effect. In other words, there is about 100 percent more there now than has been paid out. You are, in effect, increasing contributions by more than has been paid out.

I have no objection to your amendment, but if you are going to continue to base it on 5 years, I do not see why Members of Congress should be taxed to the extent of building up a surplus more than they have already. In other words, we are now more than carrying our own weight in this matter.

I think this would be the thing to do. I commend the gentleman for what he has done, and I think it is eminently fair.

Mr. DERWINSKI. I thank the gentleman from Ohio for his contribution.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Iowa.

Mr. GROSS. I thank the gentleman for yielding.

I have in hand a letter from Mr. Andrew Ruddock, Director of the Bureau of Retirement of the U.S. Civil Service Commission, in which he says this:

> We estimate the total cost of the present retirement provision for Members of Congress will be about 25 percent of payroll.

In other words, if the Members of Congress were to pay what the Civil Service Commission says is their share of the cost of payroll, they would be paying 12.5 percent.

Mr. DERWINSKI. Mr. Chairman, I innocently, of course, added a new controversy to this bill, and that is why I would think we were at the point now where the members of the subcommittee and the full committee, having recognized for months the problems that they have, and presumably because of those problems have withheld floor action on this bill, might not just drop title II and solve the whole controversy.

Mr. DANIELS of New Jersey. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Illinois.

Mr. Chairman, as I stated originally when I took the floor today, the Subcommittee on Retirement Insurance and Health Benefits made an in-depth study of this legislation. It conferred with the heads of the governmental agencies such as representatives of the Civil Service Commission, the Bureau of the Budget, and the General Accounting Office, not only in the present administration, but in the prior administration, and they fully endorse the financing approach undertaken by this bill, the three-pronged approach, one of which is the increasing of the employees' contribution from 6.5 to 7 percent, with a like increase on the part of governmental agencies, making a total of 14 percent.

It was reported to our committee, and it is undisputed, that the normal cost for carrying the retirement benefits comes to 13.86 percent. So by virtue of each employee and his employing agency contributing a like sum, we have a total of 14 percent, resulting in a surplus of fourteen one-hundredths of 1 percent.

It was for that reason we have had the problem in title II. I am assured by all the witnesses who have appeared—and there is not a bit of testimony in the record to contradict this statement—that the financing under title I is not only adequate to take care of the sections of title I to put the fund on a sound economic and businesslike basis, but in addition thereto we have provided for those benefits provided in title II of this bill.

For that reason, Mr. Chairman, I rise in opposition to the amendment.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. DANIELS of New Jersey. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Chairman, does memory serve me correctly that there was an 8-percent contribution provided for Members of Congress in last year's bill?

Mr. DANIELS of New Jersey. In last year's bill this is absolutely true. But when we continued hearings it was the judgment of our committee that in view of the testimony that had been adduced that it was not necessary to increase the contribution of the Members. There is no reason why we should overcharge the Members of Congress.

Mr. GROSS. But the Director of the Bureau of Retirement in the Civil Service Commission says that the Members of Congress should be paying in 12.5 percent. In other words, a total payroll cost of 25 percent.

Mr. DANIELS of New Jersey. The Members of Congress would be required to pay 12.5 percent, and with the Government picking up 12.5 percent, as required by law, would make a total of 25 percent; yes, that amount of money would be necessary if we were picking up the debt. But I see no reason why Members of Congress have to pick up the debt. If we do, then we should compel Federal employees to do so. In that case you would need 24 percent with the employee contributing 12 and the Government contributing 12. So why should we make an exception with the Members of Congress?

Mr. GROSS. Mr. Ruddock predicated this on normal costs.

Mr. DANIELS of New Jersey. No, normal costs are an entirely different matter.

Mr. GROSS. That is what I am talking about.

Mr. DANIELS of New Jersey. No. When you refer to 25 percent you are referring to Members of Congress picking up the debt.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. DERWINSKI).

The amendment was rejected.

AMENDMENT OFFERED BY MR. GROSS

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: Strike out all of title II beginning with line 1, page 8, and ending with line 17, page 10.

(By unanimous consent, Mr. GROSS was allowed to proceed for 2 additional minutes.)

Mr. GROSS. Mr. Chairman, I rise in support of my amendment to strike out title II of H.R. 9825 which contains provisions opposed by the administration.

The announced purpose of this legislation is to refinance the civil service retirement fund. This administration and the prior administration urged the Congress to eliminate the liberalization of retirement benefits contained in title II of this bill.

If we are to take any constructive action toward eliminating the $61 billion retirement fund deficiency we cannot at the same time provide liberalizations in retirement benefits which amount to over $1 billion.

The retirement benefits provided in title II are unnecesary at this time. The present retirement benefits for Federal employees are most generous and such benefits are equal to if not better than similar benefits provided employees in private industry.

One provision in title II would permit computation of annuities based on the high-3-year average salary rather than on the basis of the high-5-year average salary. This will increase the obligation of the retirement fund by $337 million.

Retaining this provision in the bill is even more costly to the Federal Government if we consider the fact that it will encourage many experienced and competent employees to leave the Federal service before their productive and useful years of service are completed. The Federal Government has invested many millions of dollars in training experienced and knowledgeable employees. I do not believe we should unwisely waste this investment.

Also, to be considered is the fact that in the past several years substantial pay increases have been granted to Federal employees on the theory that we must attract and retain the best qualified persons in the Federal service. To encourage these employees to leave Federal employment prematurely is a disservice to the American people.

I need not remind my colleagues that this extreme liberalization in H.R. 9825 also provides benefits for Members of Congress which are, in my opinion, out of all proportion to their retirement needs. Under the provisions of title II of this bill, if adopted, Members would be voting to give themselves greater retirement benefits right on top of an exorbitant pay increase.

Another provision in title II proposes to give Federal employees retirement credit for unused sick leave at the time of their retirement at a cost of $329.5 million to the retirement fund.

The underlying basis for laws granting sick leave benefits is that such benefits are a privilege granted by the Government to its employees for the purpose of time off with pay during periods of legitimate illness. They were never intended to be converted into retirement benefits. Sick leave is a protection for the employee and whether it is used or not, its existence creates an attitude of confidence for the employee to know that it is available if necessary.

The principal argument in support of crediting unused sick leave for retirement purposes is the contention that it would prevent sick leave abuses and therefore save payroll costs for the Government. This is a spurious allegation. The sick leave provision in title II will have the effect of encouraging employees to come to work when they are ill. Efficiency will decrease and the exposure of coworkers to illness in turn will create greater loss to the Government.

During the debate on this legislation on October 1, 1968, we were told that the sick leave provision in this bill would increase Federal payroll retirement costs by $22 million annually. This year we are told that such costs will be increased by $13.2 million. I am unaware of how this payroll cost could be reduced by almost one-half in less than a year, but it remains a fact that such provision is costly because it will increase the unfunded liability of the retirement fund by $329.5 million.

Another inequity created by this provision is the clear discrimination against those employees who, through no fault of their own, are forced to take legitimate sick leave for serious operations or catastrophic illness.

The sick leave provision in the bill completely reverses the basic concept of such leave which has governed its uses from its inception.

The other two retirement liberalizations proposed in title II are equally unmeritorious and will add $393 million to obligations of the retirement fund.

The addition of 1 percent to all future percentage adjustments in annuities is an outright gift and cannot be justified on any objective basis. This provision costing $243 million does not belong in this legislation.

The adjustment in survivor annuities for spouses who remarry provided in title II costing $150 million does not belong in legislation primarily concerned with refinancing the retirement fund.

The record of the Congress is far from encouraging to millions of Americans who are experiencing the pressures of inflation in the form of higher taxes and higher costs of living with no relief in sight.

The examples that are being set in Congress provides the people with little confidence in a Government that continues to give its top officials record-breaking increases in salaries and retirement benefits.

We point with grave alarm to the inflationary pressures in our economy. We tell our constituents we cannot long survive if we continue on this path. We should reduce appropriations, but we increase them. Industry and labor are asked to hold the line. We point to the fact that some economic indicators suggest a slowdown in business, while at the same time interest rates continue to soar.

And in the first 6 months of 1969 we in Congress have done nothing except to encourage every inflationary pressure in our economy, and this bill is one of the worst examples.

I urge the Members to adopt my amendment striking out the unnecessary provisions in title II of H.R. 9825 and thereby save over $1 billion in Federal funds.

Mr. MARTIN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Nebraska.

Mr. MARTIN. I wish to commend the gentleman for his remarks. I agree with him completely. I understand that the Post Office and Civil Service Committee is currently considering legislation which would increase further the pay of postal employees to the tune of approximately $300 million a year, and that favorable consideration of this legislation is very imminent. Is that correct? Is that legislation in your committee?

Mr. GROSS. The bill, I assume, will be brought before the committee tomorrow. The estimate of its cost is $300 million. I could not say to the gentleman whether it is more or less, but the preliminary estimates I have heard are close to that figure.

Mr. MARTIN. And that would further increase the amount of retirement benefits eventually, of course.

Mr. GROSS. That is correct, and I thank the gentleman from Nebraska for his timely observations.

Mr. DANIELS of New Jersey. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Iowa (Mr. GROSS).

Since the new combined contribution rate of 14 percent of payroll will actually exceed the present normal costs of benefits—now at 13.86 percent of payroll—the committee decided, in the interest of equity and fairness to Federal employees, to provide certain limited, but needed, improvements in the benefits structure of the retirement system.

Every single benefit proposal that had been introduced in the Congress in the past several years was carefully considered in both the subcommittee and the full committee. All were eliminated—primarily on the basis of cost—except the moderate liberalizations which are contained in title II. The normal cost of these improvements is fully covered by the new combined employee-employer contribution rate of 14 percent of payroll. The Civil Service Commission has assured the committee that the other funding provisions in title I will adequately take care of any increase in the unfunded liability which may result from the enactment of these benefits.

In brief, then, title I and II of the bill supplement each other and are integral parts of a total package that will not only put the Federal employees' retirement program on an actuarially sound basis but, also, make limited, but long overdue, improvements in the program.

Therefore, I urge the defeat of the proposed amendment.

I would also like to read from a letter

from the U.S. Civil Service Commission, dated May 22, 1969, addressed to me as chairman of the Subcommittee on Retirement, Insurance, and Health Benefits:

Hon. DOMINICK V. DANIELS,
*Chairman, Subcommittee on Retirement, Insurance, and Health Benefits, Committee on Post Office and Civil Service, House of Representatives, Washington, D.C.*

DEAR MR. DANIELS: This is in reply to your letter of May 13.

In my opinion, Title I of H.R. 9825, as reported by the Committee on Post Office and Civil Service, does make adequate provision for financing the additional normal cost and the unfunded liability that would result from the enactment of Title II of the bill.

Sincerely yours,
ROBERT E. HAMPTON,
*Chairman.*

Therefore, Mr. Chairman, I urge the defeat of the proposed amendment.

Mr. HAYS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I hope that the amendment offered by the gentleman from Iowa is not an attempt to get Congressmen cut out of this, which would also hurt all other Federal employees as well. As I said earlier, I made a little study of this Federal pension system. It all depends upon whose figures we want to take. We can get all the actuarial figures we want, but these are all suppositions. I am not going to deal with actuarial figures, but I am going to tell Members when this congressional pension fund was set up in 1946, everybody who was in the Congress was blanketed in as though he had been paying into it all the time he had been here. Members with 20 years of service, with 30 years, with 5 years or 10 years, whatever it was, they all started paying into it as of the beginning of the fund.

If we have that clear, let me tell Members what happened. Over the years, with all those people blanketed in, and with some of them retiring immediately, without contributing anything, I imagine, and some of them retiring after 2 years with 25 years of service and contributing only for 2 years, in spite of that, if the fund were separate, and if we had separate figures, the fund would show $7 million more was paid in than was paid out.

I proposed to increase contributions to 10 percent and increase benefits by 2.5 percent, because 7.5 percent is to 2.5 as 10 percent is to 3.3, but the gentleman from Iowa (Mr. GROSS) and others said we would destroy the fund. I remind Members the fund started with no pay in, nothing, and it has made money.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Arizona?

Mr. UDALL. Mr. Chairman, I commend the gentleman from Ohio for the statement he is making.

I certainly agree with the gentleman that one of the troubles I found in my studies of this, one of the places where people get misled is they take nice actuarial figures which deal with all kinds of typical industrial employees who look forward to retiring and are forced to quit then by the rules of the company and do retire at 65. Then they apply those figures to the people who serve in Congress. But in this institution many Members serve into their seventies and into their eighties and do not retire as soon as typical industrial employees.

The figures given by the gentleman are correct.

Mr. HAYS. Mr. Chairman, I thank the gentleman from Arizona.

Mr. Chairman, I want to comment on the actuarial figures which are used by the insurance companies. They charge people money and pay people on retirement, but who has all the money in this country? Which are the richest people in this country? Which are the richest corporations? I am not running them down, but it is the insurance companies, and they operate on actuarial figures. They figure not only what we pay in and what is taken out, but the profit they make. That is taken into consideration.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. HAYS. Mr. Chairman, I will yield to the gentleman from Iowa, but before I do, I want to comment on the statement about the exorbitant salaries for us. I assume the gentleman is accepting his salary increase, as he indicated to me the other day?

Mr. GROSS. As long as the gentleman voted it, I will take it.

Mr. HAYS. The gentleman voted against it, but he will take it.

Does the gentleman have a question?

Mr. GROSS. Mr. Chairman, I expect I am worth about as much as the gentleman.

Mr. HAYS. That is a matter of opinion. If the gentleman were to put that to a vote, he might lose.

Mr. GROSS. It is a matter of opinion.

Mr. HAYS. I said it is a matter of opinion. The gentleman thinks he is worth as much as I am, and I think he is worth about half as much. It is a matter of opinion.

Mr. GROSS. The gentleman speaks of actuarial figures. The retirement fund is actuarially unsound to the tune of about $60 billion.

Mr. HAYS. I am talking about the Members' fund and the gentleman is talking about a fund that is actuarially unsound, as the gentleman puts it, because for many years the Government did not put in its share. That is the reason it is actuarially unsound, and the gentleman knows it and I know it.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield further.

Mr. GROSS. Mr. Ruddock has had many years of experience in this business. He is the Director of the Retirement Bureau in the Civil Service Commission, and he says that to meet the normal costs of this fund the Members of Congress should be putting in 12½ percent of their pay.

Mr. HAYS. That is what you say. That is what the letter to you says. That fellow is anti-Congress. You know it. I know it.

Again, that is his opinion. I am stating to you how much money is there, and how much profit has been piled up by the Members' contributions. You cannot deny those facts and those figures, because if you write him a letter he will have to tell you that is it.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. SCOTT. Mr. Chariman, I rise in opposition to the amendment.

Mr. Chairman, I am opposed to the amendment offered by the gentleman from Iowa to strike title II of the bill.

The present normal cost of all benefits being earned by employees covered by the retirement program is 13.86 percent of payroll. Since title I of this bill sets a new combined contribution rate of 14 percent of payroll, we would be overcharging employees unless some limited benefits were given to them within the framework of the new contribution rate.

Under this amendment we would raise the employee contribution from 6½ to 7 percent without any benefit of any nature to them. I believe in fairness we must admit that the Government, not the employee, is responsible for the present deficit. The employee over the years has been putting in his share of the cost of this fund and the Government oftentimes has not.

Many proposals have been introduced in the Congress over the years to liberalize the retirement program in a number of ways. Our subcommittee and the full committee carefully considered these proposals, and all of them except the moderate liberalizations contained in title II were eliminated primarily on the basis of cost. It is also significant to point out that the Federal employees' retirement program has remained rather static since the retirement act amendments of 1956, and that the moderate liberalizations contained in title II represent the first real improvements in this program in the past 13 years.

Mr. Chairman, in the opinion of the majority of the members of the committee, titles 1 and 2 complement each other and each title is an integral part of a total package that not only will put the Federal employees' retirement program on an actuarially sound basis, but also will improve and modernize the program.

Title 2 will improve the retirement program and its elimination from the bill would be grossly unfair to all Federal employees. The normal cost of all benefits provided in title 2 is completely covered under the new combined contribution rate of 14 percent of payroll, and we are reliably informed by the Civil Service Commission that the other financing provisions of the bill adequately take care of any increases in unfunded liabilities.

If we eliminate title 2 we destroy one of the principal purposes of this legislation. We will be denying to our Federal employees certain benefits to which they are entitled and for which they will be paying.

Mr. Chairman, I urge the membership in the interest of fairness and equity, to vote down this amendment.

Mr. CORBETT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, my chief objection to this amendment, as stated by my colleague, is the fact that we are charging the employees a half percent more of

their salaries and in return therefor they should get something.

It is exactly in that spirit, in the event this amendment is voted down and the 3-year formula prevails, that I will make the recommittal motion raising the Member's contribution to 8 percent of salary. I do this because if we are going to get the benefit, we ought to pay for it. We are definitely charging the employees a half percent more. Therefore, they should get something for their money. Again, if we raise our own payment to 8 percent, we are maintaining the historical differential of 1 percent between the employees and the Members.

Mr. Chairman, I urge the defeat of this amendment.

Mr. KYL. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, there is one serious matter which has not been discussed at length and of which this body should be cognizant. We can talk about statistical tables, economics, and economic laws. We all recognize that psychological reaction is an important thing. Perhaps one of the greatest benefits of last week's scientific achievement is the psychological effect of the moon shot on the governments and the people of all the nations of the world.

The people of this country today are in a state of unrest. Their paycheck does not reach from one week to the next. Living costs are high. Interest rates are high. So the people attack the symbol of all their difficulties, which is taxes, and they shout loudly for tax reform.

The point I make is this, Mr. Chairman: In our present circumstance especially, it is very important that the Congress of the United States and especially this House, which I consider to be the very heart of our free system of representative government, must be aware of public attitudes. If the people lose faith in this body, then they lose faith in the fundamental institutions of this great Nation. Anything which seems to be a self-serving process engaged in by Members of Congress further dissipates the respect and the faith that the people have for their Government.

I do not present myself as one who is more ethical or more moral than any other in this body, but I do feel very keenly that we must not only do those things here which are right and refrain from doing those things which are wrong, but we must also refrain from doing those things which seem wrong to vast segments of the electorate. Even if the preponderance of the evidence makes it logical that the Members of Congress should have an adjustment in their retirement program, this is no time to effect that adjustment. Therefore, I join my colleague in supporting his amendment.

Mr. MOSS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I listened rather carefully to the remarks of the gentleman who has just concluded. They have a great deal of appeal, but I think we should recognize that we have a responsibility here as the directors, for all practical purposes, of this fund for all of the employees of the Federal Government and that we should provide reasonably competitive working conditions. I believe throughout the industries of this Nation the majority of retirement systems would compare very favorably to, and with a great deal of advantage over, that which we offer to the employees of the Federal Government.

Mr. Chairman, I would like to point out a few facts of the matter of retirement. I am not totally unfamiliar with it. I worked on the last retirement bill that made any significant change in the system of the Federal employees retirement system.

What we are talking about here for congressional Members is .0001908 of 1 percent, roughly one-fiftieth of 1 percent or seven-tenths of 1 percent, the amount that changing the formula from 5 years as the basis for computation of retirement to 3 years would cost in its entirety, or $15.4 million a year. That is what we are talking about with reference to cost. One-fiftieth of that is attributable to congressional employees. Now, we are doing this by raising the rate of employee contributions, a rate of contribution which in my judgement as I stated previously exceeds that of many corporate employers today.

In fact, many of the systems require no contribution from employees. We in the Federal Government have systems requiring no contributions from the employees. We have this procedure in our judicial system and we have it in our military system.

This is an attempt for the first time in 13 years to bring a measure of greater equality to a system which is designed to provide for the men and women who render faithful service to this Government. I am one of those who believes that the average employee of the Federal Government is equal in every respect in competence and in dedication to the average employee of American industry.

I think there is an awful lot of fussing and fuming being made here on the premise that somehow or other if you can criticize Congress loudly enough, it is going to produce votes in your district. I have pride in the Congress and I have pride in the Federal service. I have a deep conviction that I am worth what I voted for as a salary and I think that those gentlemen who feel that the salary was outrageous or unconscionable should make every effort to return it to the people. They have made the judgment and not I that they are worth less than the amount they are being paid.

It is difficult for me to understand the reasoning here today, "if it comes, give it to me, but I am opposed to it."

If I were opposed to it, I would fight it all out and I would not want the benefits of it. But the great majority of people concerned with the civil service retirement system have not the privilege of the floor of this House and they cannot come here and tell their story. I think we should listen a little bit to them. They are our employees.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. DERWINSKI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I recognize that the House is in a mood for a vote and I also recognize from a quick glance at the membership that this amendment will probably be rejected. But I would like to point out that this debate has now degenerated completely beyond the purpose of the amendment.

I would like to state that the primary purpose of this bill is to improve the financial condition of the retirement fund.

Title II does a disservice to the financial condition of the retirement fund. Title II includes little things that are often referred to as Christmas-tree items, that type of thing that the other body loads into many House bills. I do not believe it would be wise at this point for the House to accept a title in which Christmas-tree items are loaded into this retirement fund. The gentleman from Iowa is actually performing a great service to the House in offering his amendment. The delay of 3 months, and the concern the members of the committee have had in bringing this bill to the floor, could well have been alleviated if we took this amendment and struck title II from the bill. We would then achieve the purpose of strengthening the financial condition of the civil service retirement fund. There would not be any controversy, any quibbling, or any debate over the solvency of the fund.

For that reason, Mr. Chairman, I would suggest that we support the amendment offered by the gentleman from Iowa.

Mr. BRASCO. Mr. Chairman, would the gentleman yield?

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

Mr. BRASCO. I thank the gentleman for yielding.

I was curious—and certainly in committee I respect the opinion of the gentleman, and certainly his intelligence, and I am wondering whether or not the gentleman considers the restoration of the widow survivors' annuity a Christmas-tree decoration?

Mr. DERWINSKI. No, but under the procedure which we are following we have no choice but to take this title.

Mr. BRASCO. But the gentleman would be for that?

Mr. DERWINSKI. Yes.

Mr. BRASCO. I thought the gentleman would.

Mr. Chairman, I would like to ask another question. I am wondering whether or not the gentleman considers to be a Christmas-tree-decoration approach, the 1 percent cost-of-living increase for retired employees, when we know the cost-of-living index has risen from, say, December of last year, until now, about 2-point-something percent. Does the gentleman not think retirees would need that in order to live?

Mr. DERWINSKI. Yes, and we could even do better than that in a separate bill. But that is the very reason that I used the term "Christmas tree" approach, because you lump a few of these

items into a title in order to carry a few other items, and that is the issue this afternoon.

Mr. BRASCO. Is the gentleman against that, though, specifically?

Mr. DERWINSKI. No.

Mr. BRASCO. The gentleman would be for that?

Mr. DERWINSKI. But I am against the entire title, because of how it is being used, and therefore it is a Christmas-tree title.

Mr. BRASCO. Because I assure the gentleman——

Mr. DERWINSKI. Just one moment. I would hope that the gentleman would use his abnormal influence on that side to join with me with regard to the Christmas-tree items.

Mr. BRASCO. Mr. Chairman, I suggest to the gentleman at this point that the gentleman's Christmas tree is drooping and that is why I want to find out just how much of a Christmas tree it is. Those are two items that the gentleman seems to agree with.

Mr. DERWINSKI. Let me just say this to the gentleman——

Mr. BRASCO. Let me ask about the third item.

Mr. DERWINSKI. It is not my Christmas tree.

Mr. BRASCO. Well, it is the gentleman's description of this bill.

Mr. DERWINSKI. All I am trying to do is to preserve the portion of title II which is the guts of the bill, which is the one thing that we should not purposely just overload.

Let me say that I did not directly participate in the overloading of title II which the gentleman from Iowa is seeking to correct by his amendment.

Any item which will stand on its own merits we could take up, we do have a meeting tomorrow, and pass out a new bill.

Mr. BRASCO. I suggest the gentleman is for retrenchment, but not for retreat.

Mr. DERWINSKI. Mr. Chairman, I yield back the balance of my time.

Mr. KEITH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I really had not intended to take the microphone, but there have been some charges made here on both sides of the aisle by the proponents and opponents of this particular legislation. Having been in the life insurance business I would like to make a few comments that might help us to see what it is we are voting for or against.

In the first place, the profit question our colleague from Ohio referred to is not profit, in my view.

It is forward funding to meet the liabilities that will occur or accrue at the time we reach retirement age. It is the reserve to pay the claims when they mature.

I did a little computing as I was listening to the debate as to what would happen if this goes through and how much a Congressman would get—how much he would pay in—and how much it would cost the Federal Government to pay its share.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. KEITH. I am glad to yield to the gentleman.

Mr. HAYS. Will the gentleman deny that insurance stocks are about the best buy on the market and that insurance companies are making the most profit of any corporations in the country? Of course, I am not against that. But you can call that forward funding or whatever you want to.

Mr. KEITH. I do not want to waste the gentleman's time. The insurance companies are supposed to be good investments. I was with a mutual insurance company and the policyholders got dividends and no profits as such.

Mr. HAYS. And I suppose the president got a pretty high salary, did he not?

Mr. KEITH. Yes, they certainly did and they got a better plan than we are getting.

But if you are interested in what you are going to get and how much it is going to cost—at the outset I have done a little computing on this and it might be helpful to you.

So if you have a salary of $42,500 and if you work here for 20 years, we would have earned a total of $950,000 during 20 years time and when we put in 8 percent and add a little interest to it, which the total value of that contribution might be somewhere in the vicinity of $125,000 when you add the interest portion to it. The benefits when you reach age 60 will be 50 percent of pay—that is 20 years times 2½ percent. Fifty percent of $42,500 is $21,250 which divided by 12 means you get about $1,770 a month.

Now—what is such a pension worth? How much would it cost to buy $1,770 a month?

At age 60 it costs about $15,000 to buy $100 a month so multiplying it out, your pension works out to be worth more than a quarter of a million dollars.

That is what the insurance company would charge you roughly if you were 60 years old and were to buy a pension of $1,770 a month. It is a pretty good pension. Although I happen to think it is a little generous in this instance, I am going to vote for the amendment.

Now as to the provision of a pension for your second wife—should your first wife predecease you—if you are going to get remarried and you want to transfer some pension to your new wife maybe the insurance company is the best bet, rather than adding such a fringe benefit to our own pension system. Are we supposed to take care of ourselves and our wives and their successors? If we do all of this through this pension plan there would be fewer opportunities for the private companies to which our colleague from Ohio referred. I would think we should patronize the private sector for our private benefit for our second wife who may become a widow.

In any event, I just had these thoughts and I thought I would share them with you. I think our present plan is generous enough and we should not in these times of high taxes vote ourselves any pension benefits that will increase taxes.

Mr. HOGAN. Mr. Chairman, I move to strike out the last word and rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Iowa.

The proposed "payoff" for sick leave is not an expensive benefit. In fact, it will be paid from the $220 million collected each year by increasing the employee-employer contributions to 7 percent. The formula prescribed in the bill would grant 1 month of service credit for each 22 days of unused sick leave. The normal cost of this benefit, estimated at $13.2 million, would be equally shared by employees and employing agencies, each contributing $6.6 million toward such normal cost.

In testifying for this cost, representatives of the Civil Service Commission also stated that, if this provision served as an incentive to reduce the overall usage of sick leave by only 1 day each year, that savings would exceed $90 million annually.

My reading of the CONGRESSIONAL RECORD shows that during last year's debate, and again during committee consideration of this incentive provision, the opponents argued that, first, there is no justification for "payoff" or "incentive legislation" to encourage or motivate employees to conserve sick leave; and second, sick leave has been granted by Congress for only one purpose: to protect employees against loss of income during periods of illness.

The reasons used by opponents may have been valid in the past, but do not meet the problems of today.

The Congress and most State, county, and city governments are enacting or proposing many forms of incentive legislation to accomplish specific objectives. Congress has passed incentive legislation which rewards more than 1,600 prosperous farmers with subsidy payments of $50,000 or more per year for not planting crops. Congress has passed generous incentive legislation to encourage or motivate oil companies to constantly expand their search for more oil. Congress has also passed incentive legislation to encourage or motivate military reenlistments, to build highways, tear down slums, build low-income housing projects and we also grant subsidies to railroads and airlines.

All of the Government agencies also encourage or motivate their employees with cash awards for adopted suggestions and superior performance of duty. The cash spent on incentive sick leave legislation to motivate employees to conserve sick leave would return more savings to the Government than the money which is now spent on superior achievement awards.

Incentive sick leave legislation would also provide some monetary protection to many conscientious employees who now forfeit 1,000 to 2,000 hours of sick leave at time of retirement, and sometimes become seriously ill after retirement.

Many States, counties, and cities now have effective incentive sick leave provisions for workers. I have some interesting data on the results of these laws. The following information is based on a sick leave survey of 67 State, county, and city agencies taken in 1967:

The average number of sick leave days granted by these agencies was 13½ days as compared to the 13 days granted Federal employees.

Twenty-four agencies, or more than one-third of the 67 agencies surveyed, had some type of sick leave incentive plan. There is, of course, presently no incentive sick leave plan in any Federal agency.

The average number of sick leave days used annually in the non-Federal agencies was 7.1 days. The average number of sick leave days used annually by Federal employees is 8.5 days and 10 to 11 days per year in some of the larger post offices.

Statistics show that the use of sick leave increases materially during the last working year before an employee retires or resigns from the Federal service. This use of sick leave by Federal employees is probably motivated by the use-it-or-lose-it situation now prevailing.

Most of the non-Federal agencies surveyed claimed that the use of sick leave was reduced after the adoption of a practical incentive sick leave plan.

The State of Michigan, which has 42,000 employees, released a report on July 27, 1967, which stated:

The average use of sick leave by State Civil Service workers declined for the third straight year during 1966. A Civil Service Department study showed that although full-time classified workers are allowed 13 days' sick leave a year, the actual use last year averaged 7.61 days. Employees may accumulate unlimited sick leave and are paid one-half of the total on death or retirement.

H.R. 9825, which is before us today, does not provide even 50 percent of the hourly compensation allowed the State of Michigan employee. If a Federal employee lives for 12 years after retirement, he would receive only 24 percent of the average salary from H.R. 9825, whereas the Michigan State retiree receives 50 percent of his hourly rate at time of retirement, multiplied by all of his unused sick leave hours.

Many other States, counties, and cities now have or are considering incentive sick-leave legislation to reduce absenteeism and thereby save on replacement costs.

The Ohio State legislators are considering a bill that would provide a lump-sum payment for a maximum of 180 days, or 1,440 hours, of sick leave at time of separation or retirement. Terminal pay would be based on the individual's daily rate of pay at the time of his leaving.

Incentive sick-leave legislation would benefit the Government and also motivate Federal employees to conserve sick leave. The cost to a Federal agency for each employee who uses all of his sick leave before he retires is approximately $8,000, and this cost factor will increase each year. Additionally, considerable cost is frequently involved to replace the sick employees.

Mr. Chairman, the importance of retaining the limited credit for unused sick leave in this legislation cannot be overemphasized. I urge defeat of this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. GROSS).

The question was taken; and on a division (demanded by Mr. GROSS) there were—ayes 64, noes 147.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. BENNETT

Mr. BENNETT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BENNETT: On page 10, immediately after the period at the end of section 205, insert the following: "Notwithstanding the prohibition contained in the first sentence of this section on the payment of annuity for any period prior to the enactment of this section, in any case in which the Civil Service Commission determines that—

"(1) the remarriage of any widow or widower described in such sentence was entered into by the widow or widower in good faith and in reliance on erroneous information provided in writing by Government authority prior to that remarriage that the then existing survivor annuity of the widow or widower would not be terminated because of the remarriage; and

"(2) such annuity was terminated by law because of that remarriage;

then payment of annuity may be made by reason of this section in such case, beginning as of the effective date of the termination because of the remarriage."

Mr. BENNETT. Mr. Chairman, this is the amendment I have already discussed.

Mr. DANIELS of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. BENNETT. I yield to the gentleman from New Jersey.

Mr. DANIELS of New Jersey. I would like to ask the gentleman in the well whether this is the amendment he discussed previously.

Mr. BENNETT. It is.

Mr. DANIELS of New Jersey. On behalf of myself and the members of the committee on the majority side, we accept the amendment.

Mr. BENNETT. May I hear from the minority?

Mr. SCOTT. We have no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida.

The amendment was agreed to.

AMENDMENT OFFERED BY MR. BUCHANAN

Mr. BUCHANAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BUCHANAN: On page 8, strike out lines 3 through 6 and insert in lieu thereof the following:

"SEC. 201. Paragraph (4) of section 8331 of title 5, United States Code, is amended to read as follows:

"(4) 'average pay' means the largest annual rate resulting from averaging—

"(A) an employee's rates of basic pay in effect over any three consecutive years of creditable service; or

"(B) a Member's rates of basic pay in effect over any five consecutive years of creditable service;

with each rate weighted by the time it was in effect;".

Mr. BUCHANAN. Mr. Chairman, it is frankly with regret that I offer this amendment to legislation which I do support. I commend the chairman of the subcommittee and the other members of the subcommittee in reporting out this bill, and also the members of the Post Office and Civil Service Committee. It has been my privilege in a previous Congress to serve as a member of that subcommittee and to become aware of the need for legislation to improve the funding of the Federal retirement system. It does strike me, therefore, as meritorious legislation deserving of our support, and a step toward meeting that need of better funding.

Because the real problem is the lack of Federal payment of its share of the cost of the retirement program through the years, and because the employees have paid their share, I feel it equitable and just that they should receive additional benefits from adding to this cost of the retirement system to them. Therefore, that which they desire, the reduction from 5 years to 3 years as the years upon which to figure their retirement, and the very meritorious provision which provides for sick leave being counted toward retirement—these, I think, are equitable.

Nor would I challenge the value of Members of Congress nor express any lack of confidence in the worth of every Member of this body. I believe in the people of this country, and I believe in their elected Representatives.

Mr. Chairman, this is not the best of all possible worlds, and even though I know there is not a Member who sponsored this bill and there is not a Member who reported it out of committee and there is not a Member who will vote for it on the floor this day who is doing it to benefit himself, we all know it is being so portrayed, and it can be so portrayed, and it will be so portrayed, and the people in many cases will, in fact, believe that Members are voting another benefit to themselves on top of the salary increase.

Because I share the concern of the gentleman from Iowa (Mr. KYL) that not only should we be doing right, but also the people should understand that this is a responsible body that is concerned about our fiscal crisis, and to show this is a body that is trying to pass legislation on its merits and not for the Members' self-benefits, I cannot in good conscience fail to offer this amendment to take the Members out of the provisions of this bill.

If my amendment is adopted, it will simply do this: Members at present, like others in the Federal retirement system, upon meeting the qualifications for a retirement annuity, receive a pension, the amount of which is based on the average of their salary during the highest 5 years of their Federal service, which is taken into consideration in figuring their retirement. If my amendment is adopted, this will continue to be the case. If this is not adopted, we will, with other people participating in this system, have to serve only 3 years at our new salary level in order to retire at the higher retirement figure.

I urge support of this amendment, although I offer it regretfully.

Mr. CORBETT. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Pennsylvania.

Mr. CORBETT. Mr. Chairman, I thank the gentleman for yielding.

Does the gentleman from Alabama not believe if we change the bill further to

raise our own payment into the fund, that we will be in effect paying for this very slight benefit?

Mr. BUCHANAN. I will say to the gentleman I will support his proposal and will vote for it, but we already have a richer formula than the other people in the system and, therefore, it seems to me that putting us on a more equal footing might well justify a heavier contribution to the system. Therefore, I will support both my amendment and the proposal of the gentleman, and feel that both are justified.

Mr. CORBETT. Mr. Chairman, I thank the gentleman.

Mr. OLSEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we have already been over all this subject. The fact of the matter is that the fund has made a profit from the Congress. That is the shape of things today. That will continue to be the fact. So there is nothing at all wrong with the proposition of our enjoying the same benefit of retiring on the high 3 years as any other Federal employee will enjoy. I submit that there will still be a profit in the fund with this new bill.

Mr. Chairman, I hope we can defeat this amendment unanimously.

Mr. HARSHA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment of the gentleman from Alabama. I am not arguing the cause of whether or not Members of Congress are entitled to more liberalized retirement benefits—they undoubtedly are, but this is not the time nor is this Nation in a fiscal situation to warrant such action.

The administration has just asked the Congress to continue the surtax for another year. In doing so the President has made it abundantly clear that without this tax this country would face economic chaos and inflation that would make our present inflationary spiral look weak by comparsion. I cannot, therefore, in good conscience ask the already overburdened taxpayer to pay additional taxes and vote to liberalize my own retirement benefits. The American people expect their Representatives to exercise prudence and economy in spending their tax dollars. Under our present fiscal dilemma I do not consider liberalizing congressional retirement benefits either prudent or good economy and therefore must support the amendment. I urge the House to accept this amendment and strike from the bill that provision which liberalizes congressional retirement benefits. Let us not put any more burden on the already fatigued taxpayer.

Mr. DANIELS of New Jersey. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Alabama, a former and highly respected member of this subcommittee. We have been over this question. I think every Member of the House understands it. We have gone through it not only during the course of debate, but in the course of discussion of previous amendments that have been offered.

So, Mr. Chairman, I urge Members to vote this amendment down.

Mr. MYERS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, in general, I supported the amendment offered by the gentleman from Iowa (Mr. GROSS). As it affected other employees, other than Members of Congress, I was not in complete agreement, but I did vote for the amendment. The need for improving the financing and funding for the civil service retirement system is certainly in order and much needed. In fact this should have been done several years ago. It seems to me that now is the time since it was not done earlier to start restoring the solvency of our Government and its agencies.

The argument has been made that the funds paid in by Members of Congress have been much greater than the amount paid out as retirement benefits to retired Members. This is good, but let us keep it that way. The $7 million now in the fund is the best protection I can think of to keep the fund strong. I wish other agencies of our Federal Establishment were in as good of shape financially. But this is no reason to raid the account now.

I hope to be able to vote for this bill. The refinancing feature to build up the account is good. I will find it difficult to support the bill, however, if it contains the provision for recalculation of time for Members.

This amendment now offered by the gentleman from Alabama (Mr. BUCHANAN) does what is needed and I will support it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama (Mr. BUCHANAN).

The amendment was rejected.

AMENDMENT OFFERED BY MR. GROSS

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 6, strike out all of line 1 and insert in lieu thereof the following:

"(f) Any statute which authorizes, effective on or after July 1, 1969—".

Mr. GROSS. Mr. Chairman, the purpose of my amendment is to make the provisions of title II of this bill conform to the policy established under title I. This simply means that the Government shall pay costs of every increase in unfunded liability created in the retirement fund by new legislation, including three liberalizations granted in title II, through equal annual appropriations installments over a 30-year period.

This bill is brought to the floor of the House of Representatives with a great deal of fanfare and laudatory comments by the proponents who say that at last we are putting the retirement fund on a sound financial basis. However, in the next breath they state that the liberalizations created under the provisions of title II of the bill shall not be subject to the 30-year financing provisions of title I. This is inconsistent and makes the bill a mockery. To millions of Federal employees who have invested their retirement deductions in the retirement fund, which has a $60 billion deficit, this action and this inconsistency is a cruel hoax.

I hope the Members will read my comments on this matter on pages 37 and 38 of the committee report on H.R. 9825, which explain in detail what the committee has done.

I call attention specifically to the statement by the Director of the Bureau of the Budget, who on April 22, 1969, stated:

> This administration is thoroughly in accord with the objective of fiscal responsibility which your proposed amendment is intended to achieve.

It is unnecessary to debate the question as to whether the bill actually creates the inconsistency which my amendment corrects. I raised this question during committee deliberations on this legislation and the author of the bill agreed that the 30-year funding provisions in title I do not apply to the liberalizations in title II. However, a quick reading of subsection 103(a)(2)(f) on page 6 of the bill leads one to the conclusion that it is intended to cover the costs of all future liberalizations.

My amendment covers the following liberalizations and increases in the unfunded liability contained in title II of the bill:

First. High 3-year average, $337 million.

Second. Sick leave credit, $329.5 million.

Third. Survivor annuity, $150 million.

In addition, my amendment will apply to the Federal pay raise effective this month which will increase the liability of the retirement fund by $3.4 billion.

The total increase of $4.2 billion in the unfunded liability of the retirement fund under my amendment, would be authorized to be paid into the fund in 30 annual equal appropriation installments, as provided in subsection 103(a)(2)(f) of the bill.

Mr. Chairman, I reemphasize my deep conviction that something must be done to prevent the constant erosion of the employees' and Government's contributions to the retirement fund. Title I of this bill, in some measure, secures this objective. But, I am certain that we cannot go on indefinitely into the future exempting liberalizations from the financing provisions of the bill.

The proponents of the bill will argue that to exempt the liberalizations in this bill is not of great importance provided we do not exempt them in the future. I disagree. If we are going to establish a policy of the nature contained in title I, then I think now is the time to adhere to that principle and not wait until some indefinite time in the future.

I urge the Members to support my amendment.

Mr. DANIELS of New Jersey. Mr. Chairman, I rise in opposition to the amendment offered by my good friend from Iowa (Mr. GROSS) a member of the Post Office and Civil Service Committee.

The amendment would add nothing to the value of the bill as a means to strengthen the financing of the civil service retirement system.

The general philosophy of this legislation is—for very practical reasons—to eliminate present unsound financing practices on a gradual basis, spread over a reasonable period of years because of

the tremendous sums involved, and thereby preclude excessive impact on any one or a few annual budgets.

The proposed amendment would depart from this policy and, if adopted, would have an excessive impact on budgets in the immediate future.

In fact, adoption of this amendment would most seriously endanger final approval of this desperately needed legislation.

The officials of the Civil Service Commission assure the committee that title I of H.R. 9825, as reported, makes adequate provision for financing the additional normal cost and the unfunded liability which would result from enactment of title II of the bill.

If the distinguished gentleman's amendment was adopted, the budget for the fiscal year 1970 would require a supplemental appropriation request of $55.6 million to cover title II benefits, and a $178½ million request for the July 1969 salary increases, or a total of $234.1 million.

The budgetary impact will be eased by financing these items as contemplated in the bill by requiring a $15¾ million payment in 1971—10 percent of the interest due thereon—progressing by an additional $15¾ million each year, until in 1980 and thereafter interest thereon would entail a payment of $157½ million yearly.

Adoption of the amendment could very well preclude the bill's final enactment in this session of Congress.

For those reasons, Mr. Chairman, I oppose the adoption of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. GROSS).

The amendment was rejected.

AMENDMENT OFFERED BY MR. CORBETT

Mr. CORBETT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CORBETT: On page 3, lines 10 and 11, strike out "and a Member." and insert in lieu thereof "and 8 percent of the basic pay of a Member.".

On page 4, between lines 7 and 8, amend the table headed "Member for Member service" by adding the following new line:

"8 ---------- after December 31, 1969.".

Mr. CORBETT. Mr. Chairman, I had earlier stated that I was going to put in a recommittal motion to this same effect. I thought it better, since title II has been preserved, to offer it at this time as a straight amendment. It would simply increase the payment by Members into the retirement fund from 7½ to 8 percent. There are two reasons for this. First, it maintains the 1 percent differential which has existed historically between what the employees pay and what the Members pay, but more importantly, for the very small amount of benefit that the 3-year formula would give us as opposed to the 5-year formula, I believe that we ought to be willing to pay for it. As a matter of fact, if our pensions were raised a great deal more, I, for one, would certainly be willing to pay a great deal more into the fund. But in any event I do hope this amendment will be adopted in order that we can go to the public and say that we paid for what we are getting. Now, the psychological effect is something different. We, again, are faced with the fact that we must do the right thing regardless of what someone seems to think we did.

So, Mr. Chairman, I urge the adoption of this amendment.

Mr. DANIELS of New Jersey. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I believe all Members of the House understand this amendment very well, the proposal which has been offered by the ranking minority member of the committee because it is one-half of the amendment that was offered earlier this afternoon by the distinguished gentleman from Illinois (Mr. DERWINSKI).

That original amendment provided for an increase to 8 percent in contributions not only of congressional staff members, but also the Members of Congress. So, what the distinguished ranking minority member would do, in proposing his amendment, is to confine his amendment strictly to Members of Congress.

I would like to point out one further thing: Just bear in mind, gentlemen, that if you are elected for 3 years beyond the present session of Congress, it does not make a particle of difference if we have the highest 5 years, or the highest 3 years, or the highest 1 year. Our salaries would be $42,500 under all circumstances.

Mr. Chairman, I urge the defeat of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. CORBETT).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. CORBETT. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. CORBETT and Mr. DANIELS of New Jersey.

The Committee divided, and the tellers reported that there were—ayes 119, noes 138.

So the amendment was rejected.

Mr. DERWINSKI. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, may I have everyone's attention for 30 seconds?

Mr. ALBERT. Mr. Chairman, will the gentleman from Illinois yield to the gentleman from New Jersey (Mr. DANIELS), who wishes to make a request to see if debate may be closed in 5 minutes?

Mr. DERWINSKI. Yes, and hopefully in 30 seconds. I yield to the gentleman from New Jersey (Mr. DANIELS).

Mr. DANIELS of New Jersey. Mr. Chairman, may I ask—are there any amendments pending at the Clerk's desk?

The CHAIRMAN. There are no amendments pending at the Clerk's desk.

Mr. DANIELS of New Jersey. Mr. Chairman, I ask unanimous consent that upon conclusion of the remarks to be made by the gentleman from Illinois (Mr. DERWINSKI) that is, in 5 minutes, debate on the bill and all amendments thereto close.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. DERWINSKI. Mr. Chairman, in order to provide the utmost possible cooperation with concern of the majority and the gentleman from New Jersey who wish to expedite action on the bill, I may take just a minute to inform the Members what will be involved in the motion to recommit.

May I emphasize that the motion to recommit is properly designed to help the bill and to speed this legislation through the other body.

The motion to recommit will do just two things. It will strike the provision as to the high-3-years average on retirement as it would apply to the Members of Congress and anyone covered by the civil service retirement fund. In other words, it would leave the law as it is at present, with the 5-year-high provision.

The other change it would make is that it would strike line 20, page 8, the liberalization provision for congressional employees.

It does not touch unused sick leave, it does not touch the retirees' annuity. It does not touch title II as it applies to widows and widowers. It merely eliminates the 3-high-year provision and removes from the bill the additional liberalization that was to be afforded only to congressional employees.

Mr. Chairman, in view of the spirit of anxiety in the House and the desire of the House to move expeditiously but effectively, these are the provisions of the motion to recommit.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman.

Mr. HAYS. Your motion to recommit strikes out the provision for the high 3 years for all Government employees; is that right?

Mr. DERWINSKI. Right, and for all Members of Congress.

Mr. HAYS. Well, I know that—but I want the Members to know what they are doing to Government employees if they vote for the motion to recommit.

Mr. DERWINSKI. The purpose, of course, is not to have premature retirement of the affected Government employees that we have covered by the civil service retirement fund.

In view of that fact and obviously from what I see by the expression of the Members, I got my message across and they may be rallying to the support of the motion to recommit.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MCFALL, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 9825) to amend subchapter III of chapter 83 of title 5, United States Code, relating to civil service retirement, and for other purposes, pursuant to House Resolution 380, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. DERWINSKI

Mr. DERWINSKI. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. DERWINSKI. I am, in its present form.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. DERWINSKI moves to recommit the bill, H.R. 9825, to the Committee on Post Office and Civil Service with instructions to report the same back forthwith with the following amendments:

On page 3, line 10, strike out "Congressional employee and a".

On page 4, between lines 7 and 8, strike out the schedule relating to Member or employee for Congressional employee service.

On page 8, beginning with line 20, strike out all of line 20 and all that follows down through the end of line 3 on page 9.

On page 9, line 4, strike out "(3)".

On page 8, strike out all of section 201 beginning with line 3 down through line 6 and renumber the succeeding sections and references thereto accordingly.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

Mr. GERALD R. FORD. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 129, nays 281, answered "present" 1, not voting 21, as follows:

[Roll No. 119]

YEAS—129

| | | |
|---|---|---|
| Abbitt | Erlenborn | Poage |
| Anderson, Ill. | Eshleman | Poff |
| Andrews, Ala. | Findley | Price, Tex. |
| Arends | Fisher | Quillen |
| Ashbrook | Ford, Gerald R. | Railsback |
| Baring | Foreman | Reid, Ill. |
| Beall, Md. | Fountain | Rhodes |
| Belcher | Gaydos | Robison |
| Betts | Goldwater | Roth |
| Brock | Goodling | Roudebush |
| Broomfield | Gross | Ruth |
| Brotzman | Grover | Satterfield |
| Brown, Ohio | Hall | Saylor |
| Burleson, Tex. | Hansen, Idaho | Schadeberg |
| Byrnes, Wis. | Harvey | Scherle |
| Camp | Hastings | Schneebeli |
| Carter | Hull | Sebelius |
| Cederberg | Hunt | Shriver |
| Chamberlain | Hutchinson | Skubitz |
| Clancy | Ichord | Smith, Calif. |
| Clausen, Don H. | Jarman | Snyder |
| Clawson, Del | Johnson, Pa. | Springer |
| Cleveland | Jonas | Stafford |
| Collier | Keith | Steiger, Ariz. |
| Collins | Kuykendall | Steiger, Wis. |
| Colmer | Langen | Stuckey |
| Conte | Latta | Taft |
| Cowger | Lloyd | Talcott |
| Cramer | Lujan | Taylor |
| Daniel, Va. | McClure | Thomson, Wis. |
| Davis, Ga. | McCulloch | Vander Jagt |
| Davis, Wis. | Mahon | Wampler |
| Dellenback | Marsh | Watkins |
| Denney | Martin | Whalley |
| Dennis | Mayne | Whitten |
| Derwinski | Michel | Wiggins |
| Devine | Miller, Ohio | Winn |
| Dickinson | Mize | Wold |
| Dorn | Mizell | Wydler |
| Dowdy | Montgomery | Wylie |
| Duncan | Mosher | Wyman |
| Dwyer | Nelsen | Zion |
| Edwards, Ala. | O'Neal, Ga. | |
| | Pickle | |

NAYS—281

| | | |
|---|---|---|
| Abernethy | Garmatz | Nix |
| Adair | Gettys | Obey |
| Adams | Giaimo | O'Hara |
| Addabbo | Gibbons | Olsen |
| Albert | Gilbert | O'Neill, Mass. |
| Alexander | Gonzalez | Ottinger |
| Anderson, Calif. | Gray | Passman |
| | Green, Oreg. | Patman |
| Anderson, Tenn. | Green, Pa. | Patten |
| | Griffin | Pelly |
| Andrews, N. Dak. | Griffiths | Pepper |
| | Gubser | Perkins |
| Annunzio | Gude | Pettis |
| Aspinall | Hagan | Philbin |
| Ayres | Haley | Pike |
| Barrett | Hamilton | Pirnie |
| Bell, Calif. | Hammer-schmidt | Podell |
| Bennett | | Pollock |
| Berry | Hanley | Preyer, N.C. |
| Bevill | Hanna | Price, Ill. |
| Biester | Hansen, Wash. | Pryor, Ark. |
| Bingham | Harsha | Pucinski |
| Blanton | Hathaway | Purcell |
| Blatnik | Hays | Quie |
| Boggs | Hébert | Randall |
| Boland | Hechler, W. Va. | Rarick |
| Bolling | Heckler, Mass. | Rees |
| Bow | Helstoski | Reid, N.Y. |
| Brademas | Hicks | Reifel |
| Brasco | Hogan | Reuss |
| Bray | Holifield | Riegle |
| Brinkley | Horton | Rivers |
| Brooks | Hosmer | Roberts |
| Brown, Calif. | Hungate | Rodino |
| Broyhill, N.C. | Jacobs | Rogers, Colo. |
| Buchanan | Joelson | Rogers, Fla. |
| Burke, Fla. | Johnson, Calif. | Ronan |
| Burke, Mass. | Jones, Ala. | Rooney, N.Y. |
| Burlison, Mo. | Jones, N.C. | Rooney, Pa. |
| Burton, Calif. | Jones, Tenn. | Rosenthal |
| Bush | Karth | Roybal |
| Button | Kastenmeier | Ruppe |
| Byrne, Pa. | Kazen | Ryan |
| Cabell | Kee | St Germain |
| Caffery | King | St. Onge |
| Cahill | Kleppe | Sandman |
| Casey | Kluczynski | Scheuer |
| Celler | Koch | Schwengel |
| Chappell | Kyl | Scott |
| Chisholm | Kyros | Shipley |
| Clark | Landgrebe | Sikes |
| Clay | Leggett | Sisk |
| Cohelan | Lennon | Slack |
| Conable | Long, La. | Smith, Iowa |
| Conyers | Long, Md. | Smith, N.Y. |
| Corbett | Lowenstein | Staggers |
| Corman | McCarthy | Steed |
| Coughlin | McClory | Stephens |
| Cunningham | McCloskey | Stokes |
| Daddario | McDade | Stratton |
| Daniels, N.J. | McDonald, Mich. | Stubblefield |
| Dawson | | Sullivan |
| de la Garza | McEwen | Symington |
| Delaney | McFall | Teague, Calif. |
| Dent | McKneally | Teague, Tex. |
| Diggs | McMillan | Thompson, Ga. |
| Dingell | Macdonald, Mass. | Thompson, N.J. |
| Donohue | | Tiernan |
| Downing | MacGregor | Tunney |
| Dulski | Madden | Udall |
| Eckhardt | Mailliard | Utt |
| Edmondson | Mann | Van Deerlin |
| Edwards, Calif. | Mathias | Vanik |
| Edwards, La. | Matsunaga | Vigorito |
| Eilberg | May | Waggonner |
| Esch | Meeds | Waldie |
| Evans, Colo. | Melcher | Watson |
| Evins, Tenn. | Meskill | Watts |
| Fallon | Mikva | Weicker |
| Farbstein | Miller, Calif. | Whalen |
| Fascell | Mills | White |
| Feighan | Minish | Whitehurst |
| Flood | Mink | Widnall |
| Flowers | Minshall | Williams |
| Flynt | Mollohan | Wilson, Bob |
| Foley | Monagan | Wilson, Charles H. |
| Ford, William D. | Moorhead | |
| | Morgan | Wolff |
| Fraser | Morse | Wright |
| Frelinghuysen | Morton | Wyatt |
| Frey | Moss | Yates |
| Friedel | Murphy, Ill. | Yatron |
| Fulton, Pa. | Murphy, N.Y. | Young |
| Fulton, Tenn. | Myers | Zablocki |
| Fuqua | Natcher | Zwach |
| Galifianakis | Nedzi | |
| Gallagher | Nichols | |

ANSWERED "PRESENT"—1

Brown, Mich.

NOT VOTING—21

| | | |
|---|---|---|
| Ashley | Blackburn | Burton, Utah |
| Biaggi | Broyhill, Va. | Carey |
| Culver | Howard | O'Konski |
| Fish | Kirwan | Powell |
| Halpern | Landrum | Rostenkowski |
| Hawkins | Lipscomb | Stanton |
| Henderson | Lukens | Ullman |

So the motion to recommit was rejected.

The Clerk announced the following pairs:

Mr. Henderson with Mr. Broyhill of Virginia.

Mr. Kirwan with Mr. Blackburn.

Mr. Rostenkowski with Mr. Lipscomb.

Mr. Carey with Mr. Fish.

Mr. Biaggi with Mr. Halpern.

Mr. Landrum with Mr. Burton of Utah.

Mr. Howard with Mr. Lukens.

Mr. Hawkins with Mr. O'Konski.

Mr. Culver with Mr. Stanton.

Mr. Ashley with Mr. Ullman.

Mr. TEAGUE of California changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. GERALD R. FORD. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 359, nays 43, not voting 25, as follows:

[Roll No. 120]

YEAS—359

| | | |
|---|---|---|
| Abernethy | Chappell | Fulton, Pa. |
| Adair | Clancy | Fulton, Tenn. |
| Adams | Clark | Fuqua |
| Addabbo | Clausen, Don H. | Galifianakis |
| Albert | | Gallagher |
| Alexander | Clawson, Del | Garmatz |
| Anderson, Calif. | Clay | Gaydos |
| | Cohelan | Gettys |
| Anderson, Tenn. | Collins | Giaimo |
| | Conable | Gibbons |
| Andrews, N. Dak. | Conte | Gilbert |
| | Conyers | Goldwater |
| Annunzio | Corbett | Gonzalez |
| Arends | Corman | Gray |
| Aspinall | Coughlin | Green, Oreg. |
| Ayres | Cramer | Green, Pa. |
| Baring | Cunningham | Griffin |
| Barrett | Daddario | Griffiths |
| Beall, Md. | Daniels, N.J. | Grover |
| Belcher | Davis, Ga. | Gubser |
| Bell, Calif. | Davis, Wis. | Gude |
| Bennett | Dawson | Hagan |
| Berry | Delaney | Haley |
| Betts | Dellenback | Hamilton |
| Bevill | Denney | Hammer-schmidt |
| Biester | Dent | |
| Bingham | Diggs | Hanley |
| Blanton | Dingell | Hanna |
| Blatnik | Donohue | Hansen, Idaho |
| Boggs | Dorn | Hansen, Wash. |
| Boland | Dowdy | Harsha |
| Bolling | Downing | Harvey |
| Bow | Dulski | Hastings |
| Brademas | Dwyer | Hathaway |
| Brasco | Eckhardt | Hays |
| Brinkley | Edmondson | Hébert |
| Brock | Edwards, Ala. | Hechler, W. Va. |
| Brooks | Edwards, Calif. | Heckler, Mass. |
| Broomfield | Edwards, La. | Helstoski |
| Brotzman | Eilberg | Hicks |
| Brown, Mich. | Erlenborn | Hogan |
| Brown, Ohio | Esch | Holifield |
| Broyhill, N.C. | Evans, Colo. | Horton |
| Buchanan | Evins, Tenn. | Hosmer |
| Burke, Fla. | Fallon | Hungate |
| Burke, Mass. | Farbstein | Hunt |
| Burleson, Tex. | Fascell | Jacobs |
| Burlison, Mo. | Feighan | Jarman |
| Burton, Calif. | Findley | Joelson |
| Bush | Fisher | Johnson, Calif. |
| Button | Flood | Johnson, Pa. |
| Byrne, Pa. | Flowers | Jones, Ala. |
| Byrnes, Wis. | Flynt | Jones, N.C. |
| Cabell | Ford, Gerald R. | Jones, Tenn. |
| Caffery | Ford, William D. | Karth |
| Cahill | | Kastenmeier |
| Camp | Foreman | Kazen |
| Carter | Fountain | Kee |
| Casey | Fraser | Keith |
| Cederberg | Frelinghuysen | King |
| Celler | Frey | Kleppe |
| Chamberlain | Friedel | Kluczynski |

| | | |
|---|---|---|
| Koch | Olsen | Smith, Iowa |
| Kuykendall | O'Neal, Ga. | Smith, N.Y. |
| Kyl | O'Neill, Mass. | Snyder |
| Kyros | Ottinger | Stafford |
| Landgrebe | Passman | Staggers |
| Langen | Patman | Steed |
| Leggett | Patten | Steiger, Wis. |
| Lennon | Pelly | Stephens |
| Long, La. | Pepper | Stokes |
| Long, Md. | Perkins | Stratton |
| Lowenstein | Pettis | Stubblefield |
| Lujan | Philbin | Stuckey |
| McCarthy | Pickle | Sullivan |
| McClory | Pike | Symington |
| McCloskey | Podell | Taft |
| McClure | Pollock | Talcott |
| McCulloch | Preyer, N.C. | Taylor |
| McDade | Price, Ill. | Teague, Calif. |
| McDonald, Mich. | Pryor, Ark. | Teague, Tex. |
| | Pucinski | Thompson, Ga. |
| McEwen | Purcell | Thompson, N.J. |
| McFall | Quie | Thomson, Wis. |
| McKneally | Railsback | Tiernan |
| McMillan | Randall | Tunney |
| Macdonald, Mass. | Rarick | Udall |
| | Rees | Utt |
| MacGregor | Reid, Ill. | Van Deerlin |
| Madden | Reid, N.Y. | Vander Jagt |
| Mailliard | Reifel | Vanik |
| Mann | Reuss | Vigorito |
| Mathias | Rhodes | Waggonner |
| Matsunaga | Riegle | Waldie |
| Meeds | Rivers | Wampler |
| Melcher | Roberts | Watkins |
| Meskill | Robison | Watson |
| Mikva | Rodino | Watts |
| Miller, Calif. | Rogers, Colo. | Weicker |
| Mills | Rogers, Fla. | Whalen |
| Minish | Ronan | Whalley |
| Mink | Rooney, N.Y. | White |
| Minshall | Rooney, Pa. | Whitehurst |
| Mize | Rosenthal | Widnall |
| Mizell | Roudebush | Wiggins |
| Mollohan | Roybal | Williams |
| Monagan | Ruppe | Wilson, Bob |
| Moorhead | Ruth | Wilson, Charles H. |
| Morgan | Ryan | |
| Morse | St Germain | Winn |
| Morton | St. Onge | Wold |
| Mosher | Sandman | Wolff |
| Moss | Scheuer | Wright |
| Murphy, Ill. | Schwengel | Wyatt |
| Murphy, N.Y. | Scott | Wydler |
| Myers | Sebelius | Wyman |
| Natcher | Shipley | Yates |
| Nedzi | Shriver | Yatron |
| Nelsen | Sikes | Young |
| Nichols | Sisk | Zablocki |
| Nix | Skubitz | Zion |
| Obey | Slack | Zwach |
| O'Hara | Smith, Calif. | |

NAYS—48

| | | |
|---|---|---|
| Abbitt | Goodling | Montgomery |
| Anderson, Ill. | Gross | Pirnie |
| Andrews, Ala. | Hall | Poage |
| Ashbrook | Hull | Poff |
| Bray | Hutchinson | Price, Tex. |
| Cleveland | Ichord | Quillen |
| Collier | Jonas | Roth |
| Colmer | Latta | Satterfield |
| Daniel, Va. | Lloyd | Saylor |
| Dennis | Mahon | Schadeberg |
| Derwinski | Marsh | Scherle |
| Devine | Martin | Schneebeli |
| Dickinson | May | Springer |
| Duncan | Mayne | Steiger, Ariz. |
| Eshleman | Michel | Whitten |
| Foley | Miller, Ohio | Wylie |

NOT VOTING—25

| | | |
|---|---|---|
| Ashley | Culver | Lipscomb |
| Biaggi | de la Garza | Lukens |
| Blackburn | Fish | O'Konski |
| Brown, Calif. | Halpern | Powell |
| Broyhill, Va. | Hawkins | Rostenkowski |
| Burton, Utah | Henderson | Stanton |
| Carey | Howard | Ullman |
| Chisholm | Kirwan | |
| Cowger | Landrum | |

So the bill was passed.

The Clerk announced the following pairs:

Mr. Henderson with Mr. Broyhill of Virginia.
Mr. Kirwan with Mr. Blackburn.
Mr. Rostenkowski with Mr. Lipscomb.
Mr. Carey with Mr. Fish.
Mr. Biaggi with Mr. Halpern.
Mr. Howard with Mr. Cowger.
Mr. Hawkins with Mr. O'Konski.
Mr. Culver with Mr. Burton of Utah.
Mr. Ashley with Mr. Lukens.
Mr. Ullman with Mr. Powell.
Mr. de la Garza with Mr. Landrum.
Mr. Brown of California with Mrs. Chisholm.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

## GENERAL LEAVE TO EXTEND

Mr. DANIELS of New Jersey. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore (Mr. EDMONDSON). Is there objection to the request of the gentleman from New Jersey?

There was no objection.

## PERMISSION FOR SELECT COMMITTEE ON SMALL BUSINESS TO SIT DURING GENERAL DEBATE THURSDAY AND FRIDAY

Mr. EVINS of Tennessee. Mr. Speaker, I ask unanimous consent that the House Select Committee on Small Business be permitted to sit during general debate on Thursday and Friday of this week, July 24 and 25.

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

There was no objection.

## THE 91ST CONGRESS—A REPORT

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

Mr. HANNA. Mr. Speaker, it is already presaged by some statements and easily predictable in more to follow that the press will be characterizing this session as a "do little Congress." In anticipation of such unjustified categorizing and in an attempt to place things in their proper perspective may I suggest a closer view of what this Congress really is all about.

First and foremost it must be realized and appreciated that Congress does not sit to simply arithmatically score up a continual enactment of legislation. Rarely has there been such a disgorging of legislative bills as was experienced in the first 2 years of the Johnson administration. It is discernible by even the most casual observer that Mr. Nixon has assumed the stance of caution and deliberation for his administration's first 2 years. Following as he does the exuberant Johnson years of vigorous legislation, his approach has much to commend it. Now we need to measure the performance of these programs; perfect their application, and to make effective the implementation of laws already in existence. Congress plays a dynamic and effective role in this approach as much as in the more dramatic business of passing new laws.

The U.S. News & World Report of July 14, 1969, made this careful observation:

Although action on the floors of the Senate and House has been almost nil, key committees have devoted days and weeks to a close and initial study of such existing programs as medical care, anti-poverty programs, school aid, food programs and related subjects.

Significantly, for the first time since World War II defense spending is losing its status as a sacred cow. Possible extravagance in the almost $80 billion Pentagon expenditures are being seriously challenged. Automatic approval under the guise of "national security" is no longer the order of the day. In this new look many hours of congressional study and hearings are involved and the individual considerations by each Congressman has been significantly increased.

The function of reviewing and overseeing the programs of the Executive is one of the Congress' most important obligations. This Congress is taking this obligation seriously. As a result, bureaucrats are scurrying in an attempt to put their agencies in order, and this is precisely where the attention needs to be paid.

Any novice in political science will report that the success of a program is in its implementation. The Congress is spending many long hours in insuring that the administration of its programs is done in the manner intended when the programs were initiated. This congressional review has been long overdue and is already producing susbtantial and important results.

Finally, there remains the ever-increasing load of casework. More and more private individuals, local institutions, educators, local labor leaders, and businessmen turn with increasing urgency and volume to their Congressman, who serves as this Nation's only ombudsman. In this role he engineers the multitude of requests for assistance through the mushrooming and ever-increasing complex executive agencies.

Also unabated is the growing correspondence and accompanying requests for materials and assistance from contracts to job appointments. Add to this the political requirements for appearances at public functions both in Washington and in the district. In perspective, one could hardly characterize life in the 91st Congress as "Do Nothing."

## LIMITATION ON FISCAL YEAR 1970 BUDGET OUTLAYS

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

Mr. MAHON. Mr. Speaker, yesterday the President signed the second supplemental appropriations bill, the final appropriation bill for the fiscal year 1969.

Upon the occasion of the signing of the bill, the President issued a statement in regard to the overall expenditure ceiling provision in the bill and in regard to expenditures generally.

I ask unanimous consent to insert the President's statement in the RECORD.

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

There was no objection.

The statement of the President follows:

STATEMENT BY THE PRESIDENT

I have today signed into law the final supplemental appropriations bill for the fiscal year ended June 30. In addition to providing budget authority for the operation of the Federal Government, the measure removes a restriction that had been placed on federal hiring by the Revenue and Expenditure Control Act of 1968.

Written into the law is another ceiling—on federal spending during the fiscal year 1970, the one we have just entered. This new ceiling is set at $191.9 billion—one billion dollars below my own fiscal 1970 expenditure recommendations of last April.

However, the Congress has made this new ceiling somewhat flexible. There are a number of categories in the federal budget—such as medicare, interest on the public debt, social insurance benefits and farm price supports—where costs can rise without new appropriation action. Congress has determined that increases in these items—up to $2 billion—will be exempt from the $191.9 billion ceiling.

There are other outlays such as military expenditures in Southeast Asia, public assistance, medicaid benefits and veterans benefits, where it is also very difficult to budget a precise figure. Any additional appropriations the Congress votes in these categories—above our 1970 revised budget estimates—will result in an upward adjustment of that $191.9 billion ceiling.

There is another aspect to the proposal. If, after voting this new lower ceiling, Congress fails to cut the budget to fit under it, the President must take over and finish the job. On the other hand, if Congress should cut the budget below $191.9 billion—that new lower figure automatically becomes a new ceiling. The latter hypothesis does not appear at this point to be a strong probability.

In making the new ceiling somewhat flexible, the Congress has acted wisely. However, the new ceiling will be of little help in keeping federal spending under control if the Congress that imposed it does not cooperate fully with the Administration in meeting it.

Last April I presented a revised 1970 budget to the Congress. That budget contained specific reductions totaling $4,000,000,000 from the budget left by the previous Administration. It brought the proposed federal spending figure for this fiscal year down to $192.9 billion, a figure I still believe reflects a responsible fiscal policy in our highly inflationary environment. If we hold the line on that spending figure, as I intend to, and if the requisite revenues are provided, this fiscal year will produce the kind of budget surplus needed to cool off an economy that was dangerously overheated before we assumed office.

Three months have passed since the Administration's revised budget was sent to the Congress. We are already three weeks into the 1970 fiscal year—and the Congress has not completed its action on a single regular 1970 appropriations bill. It seems apparent that it will not be known until the late fall just how much of a contribution the Congress intends to make toward meeting the spending ceiling Congress itself has imposed.

In the meantime, since April, the budget picture has worsened. We now anticipate further increases of approximately $2.5 billion in expenditure for such uncontrollable items as interest on the public debt, medicare, social security, civil service retirement benefits, reduced receipts from off-shore oil leases, public assistance, and veterans' benefits.

In addition, Congressional action to date has been inconsistent with a number of my proposals in April. For example, Congress has not acted on my recommendation for a postal rate increase to be effective July 1. Nor has it terminated the special milk and agricultural conservation programs as I recommended. Instead of reducing aid to schools in impacted areas, it is moving to increase such aid. These, and similar actions, could add at least another billion dollars net to Federal spending in 1970.

Thus our current estimate of fiscal 1970 spending has risen to $196.4 billion even though we in the Administration have done nothing in the way of discretionary action to add to our earlier $192.9 billion estimate.

Given our commitment to hold Federal spending to the April figure of $192.9 billion there is only one course of action open to the Administration, and we are taking it. I am directing the heads of all Departments and agencies to reduce spending in the fiscal year just begun by an additional $3.5 billion, the amount necessary to bring current estimates back in line with the $192.9 billion target figure we set in April.

No federal program is above scrutiny. Some highly desirable programs will have to be stretched out—others reduced. The dollar reductions will be accompanied by a further lowering of the personnel ceilings established last April.

I know the Congress shares my determination to make the budget an effective instrument against the inflation that has wrought so much damage to the income and savings of millions of Americans. If the Congress did not share that commitment, it would not have imposed this spending ceiling. However, this general expression of support for fiscal restraint must now be matched by specific acts of the Congress.

The Congress should also recognize that if it approves further increases above the April Budget estimates, we cannot live within the $192.9 billion figure unless more off-setting cuts are made.

I would prefer that the Congress make these off-setting cuts in programs it considers of lesser priority, if it votes increases over my April budget for activities it considers essential. If it does not do so, the duty of making such cuts clearly becomes mine.

## INEQUITIES IN SOCIAL SECURITY

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

Mr. BLACKBURN. Mr. Speaker, in private enterprise workers pay part of their salary into a private pension fund from which they are guaranteed an annual annuity when they retire. Of course, if it were ever proposed that the Congress enact legislation to place an income limitation on persons receiving private annuities, all Members would quickly agree that this action would unfairly deprive a worker of his property.

However, upon examination, one finds this to be the situation existing under our social security laws. The social security system was established in 1936 as a Government-sponsored retirement insurance fund to allow workers when they retire, after age 65, to receive funds to supplement their income. During a man's working years he pays social security taxes and his employer pays an identical amount into a special social security trust fund. Upon retirement, the worker naturally expects to receive his retirement benefit. The benefits under the old age, survivors, and disability insurance program are paid from the funds received from the employee and employer contributions, and the Government pays only the cost of administering the program.

Under the present system, a minimum income level of $1,680 a year is established. Further income earned up to $2,880, the maximum income—reduces the benefits by $1 for each $2 earned. When examining the income level which is usually considered to be the poverty level, we find for an individual it is $1,600 a year, and for a married couple $2,100. By making such low income levels in our social security laws, we are committing many of our elderly citizens to years of poverty.

Too, it must be remembered that funds from nontaxable sources such as municipal bonds, industrial development bonds, series E and H bonds, are not subject to the income limitations of the social security law. Thus, a person can still receive social security benefits when he is receiving additional income from such nontaxable securities. A man with such income is not penalized for supplementing his income, while a person who supplements his income by working is penalized.

I strongly object to the income limitation provision because it deprives a person of his rightful income if he wishes to work. Under this provision a man cannot even consider working part time without endangering his social security benefits. Incentive is stifled and dependence on relatives and society is encouraged. The whole concept of social security as stated in 1936 was that the program would supplement retirement income. This section of the law is a direct contradiction of this principle.

Mr. Speaker, today I am introducing legislation which would correct this basic inequity. My bill, when enacted into law, will completely remove this income limitation for those individuals who are otherwise eligible for social security. In fairness to our retired citizens, I request that the House act upon this measure as soon as possible.

## TO REDESIGNATE THE GEOGRAPHIC NAME OF CAPE CANAVERAL

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

Mr. FREY. Mr. Speaker, the name Cape Canaveral holds a special place in the history of our Nation. Discovery of this point on Florida's east coast in present-day Brevard County is accredited to Ponce de Leon, the same explorer who discovered the State more than 450 years ago. We know for certain the name appears on a Spanish map printed as early as 1564, and on the maps and charts used by world navigators during and since those early days. Floridians have long been proud of the name and its historical significance.

In 1963, following the tragic death of our late President, John F. Kennedy, two orders were issued from the White House. President Johnson's Executive Order No. 11129, dated November 29, 1963, designated the National Aeronautics and Space Administration and Department

of Defense facilities on Cape Canaveral as the John F. Kennedy Space Center. We are proud that these facilities bear the name of the man who committed this Nation to the goal reached Sunday night by the Apollo 11 astronauts.

During this same time period, the Board of Geographic Names of the Department of the Interior held a special meeting to act on a Presidential request to redesignate Cape Canaveral as Cape Kennedy. The Board, which has the responsibility to make the name change affecting official Government maps and documents, voted for the President's request. While there is considerable doubt that this Board followed the procedure as required by law, or even had a quorum, this is not the point. It seems to me that the Board's action in changing the name of the geographical point was probably a mistake and ill advised. I am privileged to represent this area in the U.S. Congress. The vast majority of the people who work and live in this area adjacent to the Space Center, as well as in other parts of Florida, feel the name should be changed back to Cape Canaveral. A somewhat similar resolution introduced by State Senator Elizabeth Johnson of Brevard County was unanimously passed by the Florida Legislature during its recent session.

Therefore, Mr. Speaker, today my distinguished colleague, Congressman CHAPPELL and I are submitting a resolution which would redesignate the geographic name of Cape Kennedy as Cape Canaveral. This resolution also provides that the NASA and DOD facilities referred to in Presidential Executive Order 11129 shall continue to be known as the John F. Kennedy Space Center. This is a joint resolution offered by the two Congressmen who represent Brevard County in Florida. Our distinguished colleagues on the Senate side, the Honorable SPESSARD HOLLAND and the Honorable EDWARD J. GURNEY, have introduced similar legislation.

I would hope that the House would give early consideration to this resolution.

## REQUEST FOR INFORMATION CONCERNING GUIDELINE COMPLIANCE ACTIVITIES OF HEW

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

Mr. THOMPSON of Georgia. Mr. Speaker, my purpose in addressing the House at this time is to ask for the help of my colleagues in compiling information about school and classroom closings brought about by guideline compliance activities of HEW and the Federal courts.

I have asked HEW to supply me with a list of the school districts who have closed schools or school classrooms in order to satisfy the desegregation requirements of the HEW guidelines. HEW has advised me that they cannot supply this information. It is imperative that someone compile the true facts as to the financial loss and educational loss brought about by such activities. It is for this reason that I am requesting all my colleagues to advise me of any school closings which have occurred in their districts.

Mr. Speaker, at a time when virtually every school system in the Nation is hard pressed for classroom space to take care of rising enrollments, bonded to the hilt to construct new school buildings and strained to the limit for operating funds, it is inconceivable that the Federal Government which is supposed to be helping local communities with their educational problems could be involved in depriving these communities of the use of badly needed school buildings.

Yet, that is exactly what is happening. It is happening in my own congressional district, in the neighboring Fourth Congressional District of Georgia, and elsewhere in the Nation. In many instances, it is happening under the guise of "voluntary" compliance with HEW's school desegregation guidelines. But this voluntariness would hardly pass the same muster that confessions must pass in the U.S. Supreme Court. There is not a Member here who has had any experience with HEW's repeated rejection of compliance plans, under the threat of cutting off Federal aid to education funds until they get the "voluntary" compliance plan they want, who would uphold the claim that such schools are closed "voluntarily." They are closed only as a last resort to avoid losing Federal funds which most school systems badly need.

Just a few weeks ago, about six schools in De Kalb County, Ga., were closed, because they were allegedly racially identifiable schools where appropriate racial balance did not exist. The truth is, Mr. Speaker, that these schools were located in black communities and their student bodies were black and as long as a neighborhood school concept is followed, there is no chance for them to have a "racially balanced" student body. After all, no such requirement exists in any law passed by the Congress. To the contrary, in section 409 of Public Law 90–557, we specifically provided that no Federal funds were to be used by HEW to require racial balance, busing, or the closing of any schools. But this law is being intentionally ignored every day through so-called voluntary actions by school boards who are being blackjacked into closing schools under the threat of having their Federal funds taken away. Similarly, three black schools were recently ordered closed in Austin, Tex., under identical circumstances, according to press reports.

This is the central issue in the controversy existing in my own school district with HEW. It is not a discrimination problem, for none exists. The problem exists with HEW attempting to require exact percentages of racial balance in all schools, including those located in all-black neighborhoods, and, failing to achieve such balance, requiring schools to be closed and the students bused to other schools to achieve "racial balance." In College Park, Ga., there are two high schools, one serving a predominantly white student body and one serving an all-black student body, located within a mile of one another. The racial makeup of their student bodies is the result of housing patterns; all the students attend the school closest to them with the exception of seven black students who chose under the system's freedom of choice plan to attend the white high school. The other black students exercised the same choice and chose to attend the all-black high school.

But this freedom of choice plan did not produce the racial balance that HEW's social planners felt was desirable. So they are seeking to impose on the Fulton County board of education, through their tactic of constantly rejecting compliance plans until they get what they want, a compliance plan that will require the closing of a virtually new high school. The Eva Thomas High School was built some 6 years ago at a cost of $850,000 with 18 classrooms and laboratories. It is more modern than the white high school, College Park High. Its location was partially determined by the Federal Government, since it is located in an urban renewal area. But because HEW's compliance officials are going beyond the law and requiring the closing of schools under so-called voluntary compliance plans, the taxpayers of my county and my State are being denied use of this structure. They are being denied equal protection of the law.

Mr. Speaker, just how many other schools have been closed by similar "voluntary" compliance plans is not known. As I stated earlier, the Office of Civil Rights at HEW piously asserts that "it is not the policy of the Office of Civil Rights to require the closing of schools" and any statistical data pertaining to the closing of schools "is not available" from the Office of Civil Rights. That is like saying General Motors does not make Chevrolet automobiles and does not maintain statistics on the number of Chevys sold.

Among the biggest losers in the compliance program of HEW are the taxpayers. Their money has been used time after time to build schools in the neighborhoods where they are needed, whether black, white or mixed. When they approved bond funds in bond elections or voted operating funds through their school boards, there was no question of "racial balance" but simply providing what was needed at the time. The ultimate power in our country rests with the people and though HEW and the courts may not realize it, the people also control the purse strings. I have every confidence that one of the main reasons that a major school bond issue was defeated in Metropolitan Atlanta—Clayton County—only 3 weeks ago was, because of the action of the closing of the six schools in De Kalb County in order to bring about racial balance. The people simply are not going to stand idly aside and see their tax money wasted.

This money is being wasted, because of the absurd positions some have been taking such as the position of HEW that all-black schools cannot constitutionally exist even though they are located in a black neighborhood, unless there is racial balance. It is a travesty on the educational process of this Nation and an affront to the rights of the American taxpayers to have their interest in these buildings destroyed.

Therefore, Mr. Speaker, I am appealing

to every Member of this body in whose district or State a school or schools has been closed by virtue of HEW's compliance activities to provide me with that information. The American people need to be told the truth about the monetary loss, the educational loss, they have suffered because of Federal bureaucrats who want to manipulate the lives of schoolchildren and produce unrealistic artificial balances which are unrepresentative of the communities where these children live. It is being said that the American people are fed up with many things and I think it can be truthfully said, Mr. Speaker, that this is one of the activities with which they are fed up.

## A SALUTE TO MANY BANKS FOR NOT FOLLOWING THE LEAD OF THE EASTERN GIANTS

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

Mr. KLEPPE. Mr. Speaker, at a time when the big New York banks and most of the other large financial institutions have jacked up their prime interest rate to a crushing 8½ percent, I want to commend the many other banks around the country which have not followed the lead of the Eastern giants.

In my own State of North Dakota, many bankers are continuing to make loans to their regular customers at rates ranging between 7 and 7¾ percent. Moreover, they have not closed the window to new borrowers. They have money to lend.

As a one-time country banker, as a former vice president of a Minneapolis investment banking firm and as a present director of a Bismarck bank, I am deeply disturbed over this most recent boost in the prime interest rate. I do not believe it was justified. I think it should be rescinded. Moreover, if the big New York banks do not take the lead in such a reduction, as they did in the increase, I believe the Federal Reserve Board should supply whatever persuasion is needed.

The big Eastern banks have performed what is unquestionably a classic nonpublic relations job. They have succeeded in giving the entire banking community a black eye. They have touched off more public and congressional demands for tighter Government restrictions on banks than has been heard for many a day. Finally, their decision to put one more turn on the screw could not have been more atrociously timed, coming as it did when the big banks were reporting tremendous increases in net profits.

I find it difficult to accept the argument that the prime interest rate boost was the only way the big bankers could restrict borrowing and thereby make their own patriotic contribution to the war on inflation. If a bank turned down a borrower at the old prime rate of 7½ percent and then proceeded to make the loan at the new 8½-percent rate, I do not see how this would help to curb inflation. Actually, such action might add to it.

Voluntary restrictions on loans by bankers themselves would reduce the enormous capital outlays which have helped to overheat the economy, without penalizing the man who buys an automobile or a television set on the installment plan. Lenders can restrain credit by devices other than interest rate increases.

I have never known a banker whose vocabulary did not include the word "no."

Again, I would admonish the banking giants to back off from their most recent interest rate increase before they get backed off.

I would also emphasize again that many of the smaller banks across the country have refused to charge all that the traffic will bear. I salute them for the good sense they are showing.

## WASHINGTON CRIME

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

Mr. ROGERS of Florida. Mr. Speaker, a young Marine, in his Nation's Capital, was murdered Monday night during an $8 robbery. A U.S. Senator was robbed of $28 at gunpoint, the same evening.

Crime conditions are so bad in Washington that even April of this year showed a 2.7-percent increase over April of 1968, the month last year which saw the destructive riots when police stood by while entire stores were looted and burned. There were no riots to blame this April. Tourist propaganda flowed forth from the city proudly proclaiming that all was quiet and peaceful for the Cherry Blossom Festival. Yet the crime rate turned out to be higher than even during the riots last year.

And almost as if the 2.7-percent increase in April was insignificant, May recorded a 12.2-percent increase. Again, the riot period of last year is important to keep in mind, because lawlessness was still prevalent during the post-riot month of May. Yet this May, without the aftermath of riots, crime increased 12.2 percent.

And now we have the June increase of 23.9 percent.

Those Members of Congress who have been concerned about the Washington crime problem in the past can be no less concerned today. And the President, who did not hesitate as a candidate to place the blame on a lack of leadership and forthright action by the previous occupants of the White House and Justice Department, cannot today fail to shoulder the responsibility for action now to meet the crisis.

New legislation may be needed, but we cannot wait another 6 months for the leadership in areas of more immediate relief.

This morning's newspaper reported, in addition to the murder of the Marine and the holdup of the Senator, a man robbed of $2 by four men with knives, a man beaten unconscious and robbed of $9, a man beaten to the ground by two men for $85 and a watch, a man robbed of $17 by two men with guns, a vendor robbed by two men with a gun, a man and women robbed by a man who took money and a ring, a man beaten and robbed of his wallet by three men, two men beaten and robbed of their wallets by two men, another vendor robbed of his money and a ring by a man, the robbery of two High's Dairy Stores—two robberies of High's stores were reported in yesterday's papers as well—the robbery of two service stations, the robbery of a grocery store, and the robbery of a laundry.

## THE INTERSTATE TAXATION ACT

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

Mr. WALDIE. Mr. Speaker, on June 25, 1969, I expressed my opposition on the floor of the House, to the enactment of H.R. 7906, the Interstate Taxation Act. I would like to reemphasize my opposition to the measure by placing an exhibit in the RECORD which lists some of the different types of businesses that would gain immunity from sales and use tax collections:

EXHIBIT: SALES AND USE TAX JURISDICTIONAL LIMITATIONS IN PROPOSED FEDERAL INTERSTATE TAXATION ACTS

California based businesses would be at a competitive disadvantage with out-of-state sellers under "Interstate Taxation Acts" now pending in both houses of Congress. Tax shelters which would be available to interstate sellers under H.R. 4178 (McCulloch), H.R. 7906 (Rodino), S. 611 (Mathias), or S. 916 (Ribicoff) would also cause substantial losses of California income taxes and state and local sales and use taxes.

Among other things, each of the proposed bills would impose arbitrary and unreasonable jurisdictional standards on state and local government, jeopardize collection of local taxes under the California Bradley-Burns Uniform Local Sales and Use Tax Law, and create inequities in the apportionment of corporate income for California income tax purposes.

Common to all the bills is the jurisdictional limitation applicable to sales and use taxes. Specifically, the California Sales and Use Tax Law presently provides that an out-of-state retailer shall collect the use tax if it has an office, warehouse, representative, agent, salesman, canvasser or solicitor in this state. Under the proposed bills this requirement would not apply to interstate retailers unless they maintain a business location in this state or regularly make household deliveries in this state.

To illustrate the widespread tax and competitive impact of this restriction, we have selected the following typical businesses from the many that make California sales *without* maintaining a fixed place of business or inventory within the state:

1. This firm sells ready-to-wear dresses. Sales personnel within California obtain "hostesses" to arrange a "social party." A "stylist" attends the party and exhibits sample garments. Orders are submitted by the "stylist" to, and are filled from, a point outside the state by a combined shipment to the "hostess." State and local sales and use taxes in California for the fiscal year 1967–1968 totaled $403,500. It would no longer be subject to sales tax, nor required to collect the use tax. This translates into sales in excess of $8 million in direct competition with California retailers.

2. A shoe manufacturer makes sales in California through commission salesmen direct to consumer customers. California sales for the fiscal year ended 6–30–68 amounted to $350,000 with tax paid in excess of $17,000.

3. A shoe manufacturing firm sells through

sales representatives on a house to house basis. This firm paid tax of more than $48,000 on sales of $960,000.

4. A company sells household utensils, pots, pans, etc., through independent representatives to consumer customers on a house to house basis. Sales last year exceeded a quarter million dollars, with a tax payment in excess of $12,500.

5. This business is conducted by two related corporations. One sells jewelry, and the other sells cosmetics, through solicitors operating within California. Their method of doing business is somewhat similar to that outlined in No. 1. Their annual state and local sales and use taxes aggregate $175,000. Under the proposed federal restriction $3,500,000 of sales with local solicitation would not subject the companies to the California Sales and Use Tax Laws.

6. A large greeting card firm has independent sales solicitors taking orders from consumer customers in California. Last year's volume of sales in California was almost a half million dollars, with tax paid of $24,900.

7. A firm sells educational books through commissioned salesmen on a door to door basis. Sales made were in excess of $525,000, tax paid of $25,300.

8. Another firm sells on a door to door basis through commissioned salesmen, Bibles of all denominations. Sales for last year totaled more than $460,000, and tax paid exceeded $23,000.

9. A firm engaged in the sale of books, magazines, and record albums, has agents located in California who operate from their homes. These agents solicit orders which are filled, and shipped from a point outside the state direct to the purchaser. It would be discharged from further liability on $7,500,000 of annual sales, on which it now pays $375,000 in taxes. An affiliated corporation of this firm does maintain offices in California. It would be an easy matter to direct all publications of a non-taxable nature through the corporation maintaining an office in the state, and all taxable publications, and other items of a taxable nature, through the corporation with no office in the state. The enactment of this legislation would provide the opportunity for tax avoidance.

10. A firm with independent sales representatives sells dry goods direct to consumer customers. This firm's sales last year fell jut short of $500,000 and they paid tax of $24,350.

11. A correspondence school makes sales of educational material and school supplies directly to the student, through independent sales representatives. Annual sales in California total $732,000 with tax payable of $36,600.

12. A corporation makes direct sales of general merchandise to credit card holders of large national firms. Individual sales amounts are small, however, the volume is quite large, with last year's sales exceeding $450,000 and payment of tax in the amount of $22,700.

13. This firm has 20 photographic salesmen in California who take and sell pictures to students and schools. Annual sales exceed $800,000 with a tax liability of $40,650.

14. This manufacturer is engaged in the sale of desks and public seating equipment to many vendees within the state. Sales are made by resident salesmen. Tax last year was in excess of $37,000.

15. This firm supplies prescription lenses, frames, and accessories to optometrists and occulists. All sales are made through resident salesmen. The sales to California purchasers in the last fiscal year amounted to $1,252,000 with a tax liability of $62,600.

Four additional optical firms making sales in the same manner as described above made sales in the amount of $1,600,000 with total tax paid of $79,000.

16. A manufacturer and seller of yearbooks makes sales through representatives without offices to students and schools. The tax paid amounts to $110,000.

17. Another publisher of yearbooks makes sales of these and other specialty publications in the same manner as indicated in number sixteen. Their sales are also to students and schools. The tax revenue from this account is $120,000 per year.

18. Another company has independent sales agents soliciting orders for their products which are advertising specialties, executive gifts, metal signs, etc. This firm paid tax of $27,050 on sales of $540,000.

19. This taxpayer operates in California through resident salesmen making sales of uniforms to various employers and organizations throughout the state. All sales are made through taxpayer's sales representatives. California taxable sales during the last fiscal year exceeded one quarter of a million dollars.

20. A manufacturer and seller of rubber processing machinery and garbage disposers makes sales as a result of solicitation by sales representatives, with no office maintained in this state. Sales for last year totalled $1,600,000 and tax paid of $80,000.

21. A supplier of industrial chemicals and disinfectants made sales through resident salesmen in excess of $2,000,000 last year and paid tax in the amount of $110,000.

22. This firm is a manufacturer of industrial mixers. Most of its sales are to bakeries and other food processing industries. Orders are solicited by an independent sales representative. Sales for the fiscal year ended June 30, 1968, exceeded $500,000, with total tax paid in excess of $25,000.

Sales made by the first twelve firms are direct to consumer customers who are not normally registered with the state for the purpose of reporting or paying sales or use taxes. The individual sales amounts would be so minimal as to preclude any pursuit of the consumer customer for payment of the tax. The absolute loss of revenue, as a result of this legislation, from these accounts would amount to almost $1,200,000 annually.

At least a part of the sales of the last ten of the listed accounts are made to purchasers engaged in business in California. For this reason, some part of the tax now collected and paid to the state by these vendors would be paid directly to the state by purchasers otherwise required to file sales and use tax returns. The greater percentage, however, would be lost. The greater cost of collecting tax from purchasers would further limit the net tax yield from sales by these firms.

In addition to sellers which would be immediately excused from compliance with the California Sales and Use Tax Law, there are many others who could easily arrange to come within the protection of the "Interstate Taxation Act." Some examples follow:

(a) A large publishing firm presently maintains sales offices in California, but does not carry stock of goods within the state. Orders are obtained by personal solicitation within California, and shipments are made from a point outside the state. Last year this publisher paid over $400,000 in state and local sales and use taxes in California. The mere closing of the sales offices would exempt the publisher from this liability.

(b) A firm making sales of incentive programs and related materials maintains one sales office in California. Taxable sales reported by this organization last year amounted to $4,400,000 with a payment of $220,000 in tax. The closing or relocation of this single sales office would eliminate the need for this firm to pay any tax.

(c) A mail order shoe retailer has agents in California soliciting orders which are filled from a point outside the state. Sales are in excess of $800,000 per year. An office maintained in Los Angeles could easily be closed and relieve this seller of further tax liability.

The passage of any one of the proposed "Interstate Taxation Acts" would provide the out-of-state retailer with a distinct competitive advantage over the California retailer. The limiting jurisdictional factors, which would permit unlimited direct sales solicitation within the state without tax liability, would encourage many out-of-state sellers who presently are not making sales in California, to engage in such sales activity due to the lucrative market represented by California consumer customers.

## ATTENTION, WINDOW BOX FARMERS

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

Mr. TALCOTT. Mr. Speaker, Secretary of Agriculture Clifford Hardin is to be commended for the determined effort he is making to solve the very complicated problems confronting the U.S. farmer.

By holding hearings in the various agricultural centers throughout the United States he is obtaining first-hand testimony from the farmers.

One such meeting was conducted in Fresno, Calif., July 9, 1969. One of the farmers testifying at the meeting was Mr. Jack Stone, of Stratford, who is president of the Western Cotton Growers. In a plain talk speech, Mr. Stone put his finger on a number of vital points affecting agriculture in general and the cotton program in particular.

Mr. Speaker, for the edification of our urban colleagues I include Mr. Stone's remarks in the RECORD:

STATEMENT OF JACK STONE

FARMERS UNORGANIZED

With less than half the farmers of a few years back, our capacity to produce is seemingly unlimited. But we are one industry in this nation that is unable to put a price on our produce that covers the expenses forced upon us by our suppliers. There seems to be too many of us and we love freedom too much to organize ourselves into a tight group that could do this job.

LOOK TO SECRETARY OF AGRICULTURE FOR LEADERSHIP

So we turn to you as we have to others who held your position and to the USDA, the department that is big enough, and strong enough, and has information, to give us the organization or a workable program to exist in this organized society.

We have complete confidence in this administration and its pledge to maintain farm income. However, some farmers would like it improved some.

FOOD STAMPS

We like your idea to help make the abundance of American agriculture available to more people. In addition to the food stamp plan which we approved we have suggested a clothing stamp plan with emphasis on cotton, of course.

We wish that every man, woman and child in this country could have his and her share of what the American farmers are capable of producing.

LOW PRICES

Last year, according to your Department reports, California growers received an average of 23.5¢ per pound for cotton, down 8½¢ from the previous year. Even at that low price we are not really meeting the competition of foreign producers and man made fibers. They are still gaining on us and the cost of producing cotton is still going up. Last year, economists say, it cost 26¢ to 36¢ and above to produce a pound of cotton.

FEDERAL SUBSIDIES NECESSARY

The federal subsidies were necessary to keep most of the California cotton farmers in the business, and under present prices and conditions, without the federal subsidies most of them would go out of the business.

Like the U.S. Merchant Marine we are dependent upon a subsidy. And Congress provides the shipping industry with that subsidy because it feels that it is in the national interest to have a merchant marine.

PROGRAMS FAVORED

We have favored choice programs in cotton legislation which would give the grower the maximum freedom to use his land in the best way he can, and would give him the opportunity of producing more cotton with less government subsidy and help, if he were able to do so.

We have favored land retirement programs which allow a farmer to retire his land from production and seek a better living in other fields, if he wishes to do so.

RESEARCH AND PROMOTION

We believe that only through research and promotion can cotton stand on its own feet. This effort has been started through our C.P.I. $1.00 a bale program—and we're pleased with its progress. But we have just started and have a long way to go.

We hope that the U.S.D.A. will step up its research program to reduce the cost of production and to improve the cotton product with better qualities, such as durable press. It has been suggested, by some farmers, that some of our subsidy payments go for this cause.

LIMITATION OF PAYMENTS

Payment limitations would put large farmers out of the program and they in turn would put the smaller farmers out of business with over production of their crops.

If the cotton program were suddenly scrapped or drastically curtailed, hundreds of thousands of acres of fertile cotton land would sooner or later be shifted to other crops. This would result in such over production and drop in market price that those crops, too, would be dragged down.

NEED PUBLIC RELATIONS HELP

We can use your help in public relations. You're the top farmer. Help us tell the people and Congress the truth!

That they spend less of their income for food and fibers than any other country in the world, thanks to us.

That farmers received less on their investment than any other industry.

That farmers are affected by inflation more than anyone else—and that farmers do more to *curb* inflation than any other system—such as higher interest rates.

Tell them we'd like to raise the wages of our workers—but how can we, when we get about 14¢ for the cotton in a cotton shirt?

Tell them that prices for farm commodities today are basically the same as 15 years ago, yet our costs are up 50%.

Let them know what happens to a farmer's subsidy payment. It's not extra profit, it goes to pay bigger bills forced upon us by everybody and his brother.

URGE ACTION NOW

We urge you and your department to take the lead, now, so we don't have any hasty action that might seriously injure farming. And we pledge to work with you and other farm groups and Congress, in developing a sound and workable program that will build farm income and stability to our foundation or basic industry—agriculture, and in turn stimulate the nation's economy.

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## CIVIL RIGHTS PROGRESS

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

Mr. CLAY. Mr. Speaker, I rise today with my colleague LOUIS STOKES, of Ohio, to vent the concern of black Americans that this administration is intent on letting years of hard-earned civil rights progress be compromised by embittered conservatives. Black people joined by white liberals are convinced that our only role over the next 3 years must be to conduct a holding action. It is not easy to accept this new kind of responsibility, for over the past 8 years we have learned to work for progress through legislation, through local, State, and national involvement in the issues, and through articulating the needs of people to an attentive audience.

I am not saying that our former audiences always responded as we would have had them respond—but they did listen and they did make strides toward equal educational, social, and economic opportunities for black people.

Now there is no audience except the people of this Nation. It is to them we must appeal for understanding of the conditions and deprivations which must be overcome through a national commitment. In this administration, the demands of the poor, of minorities—and of black people in particular—are falling on deaf, insensitive ears.

President Nixon started off on a sour note by telling us he did not appoint any black people to his Cabinet because he could not find any qualified black citizens. In this day and age, saying that is like saying, "Some of my best friends are black." To add insult to injury, Mr. Nixon visited the campuses of Yale, Harvard, and Princeton seeking qualified black talent.

To the President's surprise, he found there were few blacks at Harvard, Yale, or Princeton. Of course, anyone who knows anything about the plight of black people in this country would not expect to find many black people at Yale, Harvard, or MIT. The simple truth is that the annual tuition of students at these institutions is in excess of $4,000 a year. The other ugly truth is that the average income of black people in this country is less than $4,000 a year. Why would any thinking man expect to find black people at the universities of Princeton, Harvard, and Yale.

Furthermore, since Mr. Nixon graduated from Whittier College and he is qualified to be President of the United States—why do blacks have to attend Ivy League schools in order to qualify to serve in his administration. It is also interesting that only one of Mr. Nixon's Cabinet attended any Ivy League school—but all of them are millionaires except three. If whites who do not attend Ivy League schools qualify why must blacks attend in order to qualify?

Why should we not rise today, then, to exclaim that black people know, by now, what the President's views are on black people? Sometimes, we think we have been swept into a time machine, and it is right back to 1877 when Rutherford B. Hayes was President.

Consider the record: With the first week of the Nixon administration, title VI guidelines for school desegregation were "suspended" so as to provide five southern school districts—which had disregarded the law of the land since 1954—extra time to meet Federal standards.

Under Executive Order No. 11246—with rules and regulations promulgated thereunder—the Federal Government is obligated to do no business with companies which practice employment discrimination. In March, the Department of Defense awarded major contracts to three textile firms with established records of discriminatory practices. They were awarded in violation of regulations which require written assurances of future compliance with the Executive order.

The Federal contract compliance mechanism has the potential for affecting one-third of the jobs in this economy. If the Government resolves to enforce the law, thousands of minority group citizens could thereby gain access to jobs and dignity.

Before finally testifying on June 26, the Attorney General canceled five scheduled appearances before the House Judiciary Committee to present administration views on extension of the Voting Rights Act. The cancellations coincided with reports emanating from the Justice Department that the delays were precipitated by administration desires to dilute the effectiveness of the enforcement mechanisms provided in the present act. Unfortunately, the Attorney General's testimony proved these reports were accurate. I am gratified by the wisdom of the House Judiciary Committee which has reported the legislation to extend the Voting Rights Act without administration revisions.

The handling of the appointment of a new head of the EEOC added to the evidence that this administration will weaken enforcement on civil rights generally and mandates against job discrimination in particular. I do not dispute the right of the President to appoint a chairman of his own choosing—but to have the White House announce on the day following DIRKSEN'S vicious attack on Clifford Alexander—that Alexander would be replaced—leads to the conclusion that the President definitely agreed with DIRKSEN'S rantings. The Senator stated, in fact, that a firm enforcement of equal employment opportunities amounts to harassment of business firms.

This administration has even recommended that the tax reform bill include a provision calling for foundations to lose their tax exempt status if they give any money to voter registration programs. Black people know that without the financial assistance of major foundations, we would not have registered black voters in the Southern States. Mr. Evers would not now be mayor of Fayette, Miss., and Carl Stokes would not be mayor of Cleveland.

The city of St. Louis has been struck particularly hard by this administration.

First, we lost our Women's Job Corps Center which was among the 59 centers determined "inefficient" by President Nixon's team of investigators. Over 16,000 youth suffered the impact of that decision. This administration said to them, "You simply are not worth the price." Now, the Department of Labor is still trying to initiate its new, more

efficient program—probably for well-bred, well-to-do kids who for some reason decide not to go to college. Needless to say, this new program is not underway—even though the old one is history. In the interim, nothing is happening.

As a member of the special ad hoc task force on poverty designated by chairman of the Education and Labor Committee, CARL PERKINS, I observed close up the response of this administration to the problems of the youth enrolled in Job Corps. As a Member of Congress, a member of that task force committee, and as a representative of people who were directly affected by the administration's decision to close down the Job Corps—I addressed in three separate letters to this administration—my concern and my questions on the subject decision and its implications.

My concern and my questions were communicated in search of a response. The sincerity of my correspondence and the urgency of my very real need for such responses was overlooked. My letter of April 9 to Secretary of Labor George Shultz was answered June 16, more than 2 months later. My letter of April 15 to President Nixon was responded to June 3, and my letter of May 9 to the Secretary of Labor in which I raised important questions to clarify for the people of St. Louis the procedures whereby they might submit a proposal to participate in the "new" manpower program was answered only last week, July 14. Telephone inquiries from my office have been accorded similar consideration by Department of Labor personnel. If my experiences constitute an oversight or merely evidence of the machinations of bureaucracy, so be it, but I do not consider it a trivial matter or an excusable negligence.

My colleagues here know that the Economic Opportunity Act and its program is being dismantled with the precision of a surgeon's knife. All that is left is the office to administer to poverty. And to administer to poverty, the President chose a former Congressman who represented a district where the average income of his constituents was $9,300—a man who knows little about poverty, a man who voted against the original Economic Opportunity Act. This is how poverty is being administered in Washington.

Less than 1 month ago, the city of St. Louis received notice that it is no longer an area which is eligible for economic assistance from the Department of Commerce economic development program. This was only 9 months after a careful study had been conducted and submitted to the Federal authorities documenting to their overwhelming satisfaction that St. Louis needed funds for economic development.

On June 17, I addressed my concern for this decision to the Honorable Maurice H. Stans, Secretary of the Department of Commerce, in a letter of that date. I called to the attention of the Secretary the fact that only 1 week prior to the receipt by the city of St. Louis of the decision to withdraw EDA funds, an EDA technical assistance grant was extended. Now, four programs in St. Louis have been brought to a halt, and one more time hope has been withdrawn. The people and city officials of St. Louis are concerned and perplexed. I am concerned and perplexed by the EDA decision—and yet, as of this date, I have received no clarification or explanation for this decision from the Department of Commerce in response to my letter. The only thing I can conclude is that St. Louis has made a miraculous improvement in our economic well-being since last August—so much so that none of us has yet digested the full impact of our progress.

Rumor has it that the Economic Development Administration designation of St. Louis as an area eligible for funds was withdrawn because our unemployment rate has dropped. Yet, I cannot consider that statement consistent with the latest statistics released by the Department of Labor on unemployment. July 18, 1969, the Department of Labor released information that the gap between "black and white unemployment rates in the poverty neighborhoods of the Nation's 100 largest cities was wider in the second quarter of 1969 than a year earlier."

The release stated:

> The ratio of black to white unemployment was 2.0 to 1 in the second quarter of 1969, compared with a 1.6 to 1 ratio in the second quarter of 1968.

I shall insert for the attention of my colleagues the complete report released by the Department at the conclusion of my statement.

When Treasury Secretary David Kennedy first took office, he testified before a Senate committee to the effect that some increase in unemployment might be the price of controlling the inflationary spiral. In the past month, while consideration of the surtax was pending before the House, the administration spread the word that their anti-inflationary policies would soon be felt by the economy. Consequently, I am not surprised by the labor statistics report indicating an increase in black unemployment in poverty neighborhoods. Black people know that they are the last hired and the first fired.

The report shows that one out of every three black youths is unemployed, while only one of every eight white youths suffers joblessness. The kinds of employment and training needs of black youths and adults who are confined to the cores of our cities are simply not being addressed. There has been no response to their conditions. The black youth unemployment rate is merely an indication of harder times to come—when these youth become adult unemployment statistics.

Indications from this administration are that the commitment to the need for comprehensive youth training and all-around job preparation will be deferred. This Nation can put a man on the moon, but it cannot put black men on the job.

I am pleased to note that the city of St. Louis has received funds for the model cities program, not, may I assure you, without sufficient bickering and cajoling of HUD officials who were, at one time, significantly prompted by the request of their Secretary, George Romney, to consider dropping St. Louis. I would welcome assurances that black involvement and control in the St. Louis model cities plan did not play a part in the vacillations of HUD officials on the St. Louis award. So far, I have witnessed no evidence to warrant such an assurance.

Consider the Small Business Administration and discriminative practices which have brought forth special hearings by both the Senate and House committees having jurisdiction over SBA policies and practices. Before the week is up, I shall submit to my House colleagues the results of my study of Small Business Administration practices in the city of St. Louis.

It is all downhill in the Nation's Capitol—priorities are sadly confused while this President acts on his obvious decision to accommodate conservatists and southerners. Our hypocritical society continues.

In fiscal year 1968, this Government paid well over $1 billion in farm payments—and this figure does not include subsidy payments made in an amount less than $5,000 per farmer. Over 100,000 farmers in the United States collected more than $5,000 apiece last year for not growing crops—and over 4,000 farmers collected more than $100,000 each.

Meanwhile, during this same period, the Government spent less than $300 million for its low-rent public housing programs and only $900 million in the Federal food program which includes school lunch and milk payments, commodity distribution, and food stamps.

It has been said before, but it deserves repetition—there is something basically wrong when a nation fails to feed its hungry while it pays its farmers not to produce food. The State of Missouri, I am sorry to say, is one of the worst offenders. It stands at the top of the list in collecting from the Federal Government farm subsidy payments and at the bottom of the list in administering food programs to its poor people.

Any discussion of a guaranteed income program for poor people in this Nation must be prefaced by a discussion of the guaranteed income program which now exists—not for poor people but for rich farmers.

Senator JAMES O. EASTLAND, third ranking member of the Senate Agriculture Committee, received a subsidy of $116,978 last year for his plantation. At the same time, citizens of Mississippi suffer the most dire hardships of hunger. In the State of Mississippi a ceiling has been applied to payments for dependent children of $9.50 a month, or $114 for a full year. And yet Senator EASTLAND has consistently opposed the proposal to place a ceiling on farm subsidy payments. No comment on this situation is necessary; it speaks for itself.

On May 17 the House of Representatives passed a proposal to limit these farm subsidy benefits to any one farmer to a maximum of $20,000 a year. This ceiling would effect a savings of at least $300 million to the Federal Government which could be applied to a decent food subsidy program and to almost double our effort for low-income public housing. The people of St. Louis are well aware of the desperate need for funds for housing. Do you realize that in 1949 the men of Congress pledged to build 810,000 public housing units over the ensuing 6-year period? Let me point out that 20 years have passed since they set that goal, and still we have not met it.

In fact, it was not until the activity of the past 2 years that this Government brought the number of public housing units to 800,000, still 10,000 short of the 6-year goal set in 1949.

Back on the farm subsidies continue. In spite of House passage of a subsidy limitation, the Senate 2 weeks ago declined to accept that limitation. Once again, it seems the guaranteed income for rich farmers will continue into the future.

At the same time, 12 percent of American families will probably continue under the conditions they are in. They cannot afford decent housing. Some 7.8 million American families—or one in every eight—cannot now afford to pay market prices for standard housing which would cost no more than 20 percent of their incomes.

I have introduced legislation in an effort to bring reform and activity into the Federal housing effort. It has too long lagged behind and caused too much suffering.

In the period 1962–67—the following amounts were spent: $356.3 billion on national defense, a conservative estimate; $33.2 billion on farm subsidies; $24.2 billion on space exploration; $22.2 billion on highway construction, and only $8.1 billion for all housing and urban renewal programs, and $1.25 billion for Federal housing subsidies.

My bill provides for more housing subsidies, that the Government would contribute money to local housing authorities sufficient to lower public housing rents to a maximum of 25 percent of tenant income. This is merely a starting point. If we are successful in getting committee attention of this bill, I am hopeful they will go a step further—apply their experience with housing legislation and pursue a total meaningful reform of public housing law.

Expressing optimism on that point would be difficult in light of the ax being applied to appropriations of this sort.

The Bureau of the Budget has made the most damaging recommendation of the past decade relating to support for education and libraries in America. The total allotted for all purposes for fiscal year 1970 to the Department of Health, Education, and Welfare is $3.2 billion, or about 1½ percent of the total Federal budget. That means 98½ percent of the total Federal budget. Ask any American what service he would most desire his Government to provide and I believe most would say education. Our faith in education is truly one of the distinctions of this country. In America we have been taught that through education, anything is possible for our children. Men are more concerned than ever that their children be given a better start, a better job, a better and more secure life, and they are believers in education and training toward that end.

Now we have a government which upholds its responsibility for a common defense and ignores its responsibility for justice and domestic tranquillity. And in the Preamble to the Constitution the responsibility for establishing justice and insuring domestic tranquillity comes first.

These misplaced priorities bring a severe blow to the pursuit of equal educational opportunity and quality. It is a sad commentary on this Nation's social conscience that defense spending should equal $80 billion while health, education, and welfare spending totals only $3.2 billion.

The President proceeds on the MIRV system at an estimated completed cost of $20 billion. The President is trading votes right and left—more right than left—for the ABM. That is another $20 billion down the drain—"America's biggest mistake," popular name for the ABM.

We continually hear about honoring some vague commitment to the people of Vietnam—and nothing about the specific commitments recorded in law to the citizens of this land. I can find no sense in this sort of honor to weapons and dishonor to human beings.

I participated in the reading of Vietnam war dead names with the Quakers. In a speech on the floor of the House of Representatives I stated:

> The issues are clear. First, the rights of Americans to take a stand and to make known their views through both assembly and speech, and, second, the reason for standing on the steps of the Capitol, which was to protest the dying of American boys in a war which is unquestionably illegal and immoral.

I object to the flagwaving which accompanies each escalation of American spending and Americans dying in Vietnam. The emphasis is tragically misplaced all around.

The flag waves over the poor and over the hungry and over the black and over the Quakers, just as it waves over soldiers going into battle.

It is quite evident that we will have to have our own flag over the next 3 years—implant it on our grounds and fight to hold it. Nothing short of our individual concern and involvement and awareness can prevent a total repression of minorities.

The issues have been enumerated quite clearly in the decisions flowing forth from the White House. I urge your interest and your thoughtful analysis of your own responsibilities to yourself, your children, community, State, and Nation, and I hope you will join in the battle and help us wave the flag where it also flies—for justice and for equality for all Americans.

Racism must be removed from this land. The Federal Government can accelerate or impede this progress by its own policies and practices. Presently, the incidents of discrimination by this Government are flagrant abuses of responsible leadership.

I include the following excerpts from publications in the RECORD as evidence of the concern—and the very reason for concern for and by black citizens of this Nation:

THE EMPLOYMENT SITUATION IN URBAN POVERTY NEIGHBORHOODS: SECOND QUARTER 1969

The gap between black and white unemployment rates in the poverty neighborhoods of the Nation's 100 largest cities was wider in the second quarter of 1969 than a year earlier, the Labor Department's Bureau of Labor Statistics reported today. The ratio of black to white unemployment rates was 2.0 to 1 in the second quarter of 1969, compared with a 1.6 to 1 ratio in the second quarter of 1968.

The jobless rate in these poverty neighborhoods, at 5.7 percent in the second quarter of 1969, remained unchanged over the year. This marked the first quarter in more than a year that the unemployment rate in the poverty neighborhoods had shown no over-the-year improvement. During the same period the unemployment rate for other urban areas and the Nation as a whole edged down.

The unemployment rates for blacks in these neighborhoods, however, showed a slight rise from 7.3 to 8.0 percent. This reversed the over-the-year declines reported for the past five quarters.

The jobless rates for white workers living in poverty neighborhoods showed a decline from 4.6 to 4.0 percent during the same period.

The decline in the jobless rate for whites in poverty neighborhoods took place among adult men, as the rate for white adult women rose slightly.

The rise of black unemployment in poverty neighborhoods occurred despite the fact that over the same period the unemployment rate for blacks in the Nation as a whole and in other urban neighborhoods remained unchanged.

The increase in jobless rates for blacks in poverty neighborhoods between the second quarters of 1968 and 1969, primarily reflected an increase in joblessness among teenagers.

More than 1 in 3 black teenagers in poverty neighborhoods was unemployed in the second quarter of 1969, while only one in seven white teenagers in these neighborhoods was jobless.

At 5.0 percent the jobless rate for blacks in other urban neighborhoods of the 100 metropolitan areas was virtually unchanged over the year, as was the rate for whites. The rate among these black urban workers remained higher that the jobless rate for white workers in the poverty neighborhoods.

(NOTE.—The poverty neighborhood classification used in this report was developed by the Bureau of the Census and is based on a ranking of census tracts according to 1960 data on income, education, skills, housing, and proportion of broken families.The poorest one-fifth of these tracts in the Nation's 100 largest metropolitan areas are considered poverty neighborhoods. The poverty neighborhood statistics probably include some middle- and upper-income families and also exclude some poor families who live in other urban neighborhoods. In 1967, for example, only about one-third of the nonwhite families living in poverty neighborhoods had incomes below the poverty level as defined by the Social Security Administration. These data, therefore, do not represent the exact dimensions of the employment problems of all poor people but are instead minimal estimates of the adverse conditions of residents in these specific poverty neighborhoods.)

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[From the St. Louis (Mo.) Post-Dispatch, May 28, 1969]

URBAN PEACE LINKED TO END OF RACIAL BIAS

America will never have peace in the streets until it solves the race problem, Carl B. Stokes, mayor of Cleveland said here yesterday.

Stokes, who in 1967 became the first Negro mayor of a large city, spoke at a conference on "Crime and Your Community" sponsored by the national emergency committee of the National Council on Crime and Delinquency.

The two-day conference, which ends today, is being held at Stouffer's Riverfront Inn.

Stokes said that crime could often be traced to deeper social illnesses in American life.

"Poverty and racial discrimination cement the Negro in place and thousands of his white brothers are equally entangled in poverty," he declared.

"Helplessness and frustration destroy resolve. And even though only a very small minority of the poor make a response outside the law, this minority accounts for a substantial proportion of all crimes committed."

He said that change would come through lawful means but commented:

"Law and order cannot be a substitute for the fulfillment of basic human needs."

Stokes condemned the Vietnam war as "the brutal maceration of a small agricultural nation" and said the brutality of the war might be one cause of antisocial behavior at home.

He called also for gun control laws, increased professionalism among police and a vigorous campaign against organized crime.

He charged that the current stress on certain kinds of crime was the product of racism in the white community.

"I cannot but feel that much of the emphasis on so-called 'street crimes'—to the exclusion of white-collar crimes like embezzlement, tax evasion, bribery and shoplifting—is basically a result of anti-Negro attitudes," Stokes said.

At a press conference earlier, Stokes called for massive federal aid to the cities as a means of fighting crime.

"We have to realize that making war on poverty, on inadequate housing, on unemployment, is making war on crime," he said.

"A civil rights law is a law against crime. Money for decent schools, is money against crime. Money for family counseling is money against crime. Any effort to improve life in America's inner cities is an effort against crime."

Another view was presented last night by Will Wilson, Assistant United States Attorney General in the criminal division.

Wilson condemned violence on American college campuses and declared:

"The wave of student disorders has brought personal injury, death and millions of dollars in property damage." He said the disturbances were probably attributable at least in part to "planned and concerted action by small groups."

He said that colleges, besides noting room for improvement in cetrain areas, should "speak up and teach this generation of college students something good about America."

He said that the nation had achieved more racial equality than any other nation with a significant racial mix.

Wilson quoted a stanza from "America the Beautiful" and at another point, asked:

"Where else in the whole world do the disadvantaged achieve even a portion of what they have achieved in the good old U.S.A.?"

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[From the Washington (D.C.) Post, Mar. 18, 1969]

VOLPE ALTERS BIAS RULES, STIRS ROW

(By David S. Broder)

A new controversy over the racial policies of the Nixon Administration erupted yesterday when Secretary of Transportation John A. Volpe announced major changes in the equal-employment enforcement program for Federal-aid highway construction.

Contractors who had complained that the Johnson Administration's anti-bias program was cumbersome and confusing hailed the change.

But Clarence Mitchell, head of the Washington office of the NAACP, said Volpe's action was "a spineless capitulation" to the road builders.

The controversy centered on Volpe's decision to scrap the "prequalification procedure" ordered by the Johnson Administration last October.

Under that procedure, contractors had to meet nine tests of nondiscrimination before being allowed to bid on big highway contracts. Construction firms complained to the Senate Roads Subcommittee in January that the criteria were so vague that some firms were being approved in one state at the same time they were being rejected in another.

Under the new plan announced by Volpe, standard nondiscrimination clauses will be included in the specifications for new highway jobs when they are put up for bid.

State and Federal inspectors will enforce the anti-bias clauses and Volpe implied that allowance will be made for local and regional hiring practices.

Volpe, a former Federal highway chief himself, made the announcement in a speech to the convention of the Associated General Contractors at the Washington Hilton Hotel.

He insisted that his order will "strengthen the effectiveness" of the antidiscrimination program.

"It is in no way a lessening of our determination to establish equal opportunity . . . as a way of life" in Federally financed road construction, the former Massachusetts Governor said.

Jim Sprouse, assistant executive director of the Associated General Contractors, said only 15 per cent of the previously qualified firms had been able to meet the standards imposed by the Johnson Administration. He called Volpe's action "extremely gratifying."

The NAACP's Mitchell, by contrast, assailed the Secretary's decision. "It just proves that the big, powerful highway contractors, by use of their muscle, have forced the Federal Government to backtrack in fair employment in highway construction," he said.

The press release from the Department of Transportation stressed that the anti-discrimination requirements will be included in all highway contracts of more than $10,000—bringing virtually all of the $4 billion-a-year Federal aided road construction under the compliance program.

The "prequalification procedure" used by the Johnson Administration applied only to contracts of $500,000 or more—about one-fourth of the numerical total.

Volpe did not spell out this change in his talk to the contractors at the Hilton.

The Secretary said that "since uniform requirements are used, they will be more readily understood and can be more effectively enforced than the previously variable requirements."

But he added that "these uniform requirements are not carved in granite" and can be modified "whenever we encounter particular equal opportunity problems . . . in particular geographical areas."

Volpe told the contractors he sympathized with their problems because his Department ranks "fifth from the bottom" of all Government agencies in its ratio of minority employes.

"I mean to change that," he said.

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[From the Washington (D.C.) Post, May 10, 1969]

BLACK GRADUATES' JOBS

A recent letter to your paper cited an alleged inaccuracy by your reporter, Myra MacPherson. The letter stated that it was incorrect to assume that black college graduates in the United States have an unequal opportunity.

The facts that I gave to Miss MacPherson which she relied on are as follows:

1. A black college graduate over 25 earns $1040 less than a white high school graduate.

2. At the median, a black college graduate earns less than a white with a tenth grade education.

3. A black college graduate earns $3095 less than a white college graduate.

The source for the above information is a report prepared by the Bureau of Labor Statistics Department of Labor, *Social and Economic Conditions of Negroes in the United States*, dated October, 1967.

CLIFFORD L. ALEXANDER, JR.

WASHINGTON.

[From the New York Times, Mar. 12, 1969]

MINORITY JOB GAP ON COAST STUDIED—U.S. PANEL EXPLORES PICTURE IN THREE KEY INDUSTRIES

LOS ANGELES, March 12—Almost nine out of 10 persons employed in aerospace, one of this area's largest and most prestigious industries, are white persons of the category known locally as "Anglos."

Only 11.1 per cent of the industry's employes are Negroes or persons with Spanish surnames, even though those two groups make up 20 per cent of the Los Angeles area population.

Minorities get even fewer jobs in motion pictures and network television, two other industries that have important centers here.

The Federal Equal Employment Opportunity Commission has brought about 25 staff people and commissioners from Washington this week to try to find out and publicize why Negroes and Mexican-Americans—who are presumed to comprise most of the Spanish-surnamed persons in the official records—are so little employed in these three industries.

The commission also wants to know why the few minority employes in these industries fare so poorly in promotions and in moving into positions of management.

PERSONNEL MEN HEARD

A string of personnel managers of the largest aerospace companies appeared before the commission today, testifying voluntarily. The commission will hear from the motion picture industry tomorrow and from television Friday.

The personnel managers read into the record long descriptions of programs that their companies had established, some many years ago, to increase the number of minority employes on their payrolls.

But, under questioning by Clifford L. Alexander Jr., the commission chairman, and his colleagues, most of the corporate officials conceded that the results of their efforts had been unimpressive.

Mr. Alexander dramatically illustrated the slow rate of progress. An official of North American Rockwell Corporation, which makes or helps to make space vehicles, rockets, nuclear reactors and airplanes, among other things, had testified that since December, 1966, the company's Negro officials and managers had increased from 46 to 58 and its Mexican-American officials and managers had increased from 46 to 66.

Mr. Alexander had brought to the hearing room a silent, portable calculator and a young woman to operate it. The calculator buzzed for a moment and the operator handed a note to Mr. Alexander.

He studied it briefly and said to the startled company official that it would take 15 years, at the present rate of increase, for Negroes to obtain 3 per cent of the management jobs of the corporation.

QUESTION OF SALARIES

He then proceeded quickly to another figure provided by North American Rockwell—that the company had 600 Negroes and Mexican-Americans earning more than $10,000 a year.

"What are the salaries of the 10 highest paid Anglos in the company?" he asked.

The official, Elmer P. Wohl, vice president for administration, tried to parry the question. Several Negroes and Mexican-Americans in the audience hooted loudly.

Mr. Alexander insisted on an answer, and Mr. Wohl finally said that the top 10 salaries—all paid to "Anglos"—ranged from about $35,000 to a high of $120,000.

Summing up to the press after the hearing, Mr. Alexander said industry needed to reach into minority communities for employes as eagerly as it reaches into Anglo communities.

"The way it is done now, it is word of mouth," he said. "Word goes to the segregated church, to the segregated country

club, to segregated friends. But word doesn't get out to the minorities."

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[From the New York Times, May 15, 1969]

JOBS OFFICIAL ATTACKS UTILITIES FOR RECORD ON DISCRIMINATION—BROWN, A REPUBLICAN, USES STYLE OF ALEXANDER, HIS DEMOCRATIC PREDECESSOR

(By Roy Reed)

WASHINGTON, May 15.—William H. Brown 3d, the new Republican chairman of the Equal Employment Opportunity Commission, attacked job discrimination today.

Addressing a group of electric utilities leaders in Denver, Mr. Brown characterized the electric power industry as "one of the poorest performers" in abolishing discrimination against minorities and women.

He said that reports submitted to the commission this year from 115 members of the Edison Electric Institute, the sponsor of the Denver meeting, showed "continuing failure" of the electric power industry to comply with the antidiscrimination laws.

DATA ON NEGROES GIVEN

He said that Negroes held only 4.8 per cent of all jobs in the 115 companies, only 2.8 per cent of white-collar jobs and less than half of 1 per cent of the managerial and professional jobs.

"While fully one-fourth of the companies' laborers are black," he said, "less than 2 per cent of craftsmen, foremen and kindred workers are black."

Mr. Brown cited a similar pattern in the utilities' employment of women and Spanish-surnamed Americans, and concluded: "It is quite obvious from this recital of statistics that in the aggregate, your industry is one of the poorest performers in the field of minority and female employment."

"You cannot in all conscience continue to attend such meetings as this and then return to your offices to do what amounts to nothing," he told the members of the institute, an association of the major electrical companies.

WARNED A YEAR AGO

He said the industry had been warned a year ago that the utilities might be required to comply with the 1964 Civil Rights Act through "the time-consuming compliance process"—referral to the Justice Department for legal action—if they did not progress voluntarily.

"I do not mean to threaten—and the commission presently lacks real enforcement power—but do want to make a simple statement of fact: We have seen in the intervening year what must have been more motion than action, by most of you, and I am not disposed to see another such year go by."

The text of Mr. Brown's speech was made available in Washington by his office.

Mr. Brown was confirmed as chairman of the Equal Employment Opportunity Commission by the Senate earlier this month in spite of opposition by Senator Everett McKinley Dirksen of Illinois, the Republican Senate leader.

Mr. Dirksen had criticized Mr. Brown's predecessor, Clifford L. Alexander Jr., for what he called "harassment of businessmen." He had expressed an initial fear that Mr. Brown might perform the same way.

VIGOROUS FIGHT PROMISED

Mr. Brown had declared on the day of his confirmation that he intended to fight discrimination just as vigorously as Mr. Alexander had.

In a related matter, the former Democratic head of the Rights Division, Stephen J. Pollak, now a Washington lawyer, called today for stronger laws and enforcement to fight job discrimination.

In a speech to the American Civil Liberties Union of Eastern Missouri at St. Louis, a copy of which was made available here today, Mr. Pollak said enforcement of the laws against job discrimination needed to be robust enough to convince businessmen and labor leaders that they risked lawsuits and loss of contracts if they continued to discriminate.

He said the Attorney General must have "the will and the resources to bring suit where he believes there is a pattern or practice of employment discrimination."

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[From the Washington (D.C.) Post, May 2, 1969]

UNITED STATES ACCUSED OF SUBSIDIZING BIAS IN HIRING

(By Frank C. Porter)

The U.S. Civil Rights Commission accused the Federal Government yesterday of subsidizing race discrimination in jobs.

The charge accompanied the Commission's release of Brookings Institution report calling for a crackdown on Federal contractors whose hiring practices reflect racial discrimination.

The report also recommended transfer of the Office of Federal Contract Compliance (OFCC) from the Department of Labor to the Equal Employment Opportunity Commission (EEOC).

It was sharply critical of some Labor Department agencies. In particular, it charged that "the Bureau of Apprenticeship and Training offers a clear illustration of an old line agency that has been slow to move on the equal opportunity front."

It took to task the Department's U.S. Employment Service and its state-level partners for an orientation that "too often remains that of serving the employer rather than the client." Many state employment services "lack a vigorous equal employment opportunity stance and a record which corresponds," the report said.

Author of the report, "Jobs and Civil Rights," was Richard P. Nathan, who subsequently became Assistant Director of the Budget Bureau for Human Resources Programs.

The Civil Rights Commission stressed that the study was prepared prior "to the problems and criticisms which have beset the (contract compliance) program in recent months."

Among these problems and criticisms was the oral agreement negotiated by Deputy Defense Secretary David Packard and three major textile suppliers after OFCC and the Defense Department's compliance officers found the firms in violation of the presidential order against job discrimination by Government contractors.

Labor Secretary George P. Shultz, under whom OFCC operates, drew further criticism from those who felt sanctions should be imposed until the companies complied. He backed Packard. "Intensive mediation," Shultz said, is a much more effective means for opening up jobs for minority groups than suspending contracts.

The Nathan report issued yesterday disagrees. "The key is political," it said. "Our conclusion is that more determined application of sanctions under (the presidential order) is imperative if this program is to be effective and respected as such."

The Brookings report was accompanied by a letter in which Howard A. Glickstein, acting staff director, wrote: "In the Commission's view, enforcement of the Executive Order has been seriously deficient, at high cost to the Federal civil rights effort.

"It is the judgment of the Commission that by continuing to contract with employers who practice discrimination, the Federal Government not only fails to use a powerful, readily available mechanism (contract cancellation) to help end discrimination in private employment, but in addition spends public funds actually to subsidize such discrimination."

The Commission is an independent, bipartisan agency created by Congress in 1957. It is headed by the Rev. Theodore M. Hesburgh, president of Notre Dame University.

OFCC is charged with coordinating and supervising contract compliance programs within all Federal agencies. EEOC's mission is to seek compliance with the 1964 Civil Rights Act's provisions against job discrimination in private employment.

Nathan, who headed pre-Inauguration Nixon task forces on public welfare and inter-governmental fiscal relations, said merger of OFCC into EEOC would end duplication and overlap of functions, provide stronger links between equal job enforcement and manpower programs and strengthen the Government's position in withdrawal of contracts of employers not in compliance with fair employment standards.

Asked for President Nixon's reaction to the report, White House Press Secretary Ronald L. Ziegler said that the President wants more forceful enforcement of the civil rights law and that the Administration is studying ways to strengthen EEOC.

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[From the Washington (D.C.) Post, Mar. 12, 1969]

THE PENTAGON DISPENSES SOUTHERN COMFORT

One of the more mystifying episodes of the past several weeks has concerned a verbal agreement reached between the Deputy Secretary of Defense, David Packard, and the representatives of three Southern textile firms—J. P. Stevens, Burlington Mills and Dan River Mills. The employment policies of all three firms had been under investigation and review by the Pentagon and the Office of Federal Contract Compliance for over a year owing to well substantiated charges that they were racially discriminatory; and all three firms had been so unyielding to Government efforts to bring them anywhere near compliance with the guidelines for Federal contractors that neither the Pentagon's own investigators nor the OFCC would recommend that contracts with them be approved.

Early in February, however, Mr. Packard awarded the three offending firms $9.4 million in Federal contracts, asserting that he had received assurances that they would put "affirmative action plans" into practice. Ordinarily, and by provision of an Executive Order, such assurances would have been put in writing. However, no one but Mr. Packard and the textile firms' representative seems to know of what these assurances or "plans" consist. They were not committed to paper or shared with officials at the OFCC or elsewhere in the Department of Labor who were involved in the cases and who have a clear responsibility for their outcome. Indeed, more than a month after the contracts have been awarded and despite the OFCC's effort to find out more about them, the most that could be learned was that the firms had assured Mr. Packard that they would try to meet the Government's standards.

There are a couple of things that ought to be said by way of providing some background and perspective on all this. One is that Mr. Packard's own reputation in this field appears to be good, as is that of the firms for which he was responsible in private life. The other is that contract cut-off or denial has been anything but standard operating procedure in these tangled matters—the custom has been to threaten it or delay the award until the Government's racial requirements were met. But when you have said this, you have pretty well exhausted what assurance or extenuation is to be found in Mr. Packard's odd act.

The dangers inherent in what he has done are more readily apparent. The Southern textile cases had been building for a long time. They were ripening for a big decision and had acquired the status of test cases, being

widely watched in the South and elsewhere for evidence of Washington's seriousness on the question of contract compliance. Now whatever meaning they had in that regard has been spent. Moreover, weak as the Government apparatus for assuring compliance had been, there is little question that it has been drastically further weakened by the exclusion of the OFCC—presumably the maker and judge of compliance policy—from the deliberations between Mr. Packard and the spokesmen for the mills.

Finally, there is the matter of example and direction. In the South, and especially in the areas of greatest recalcitrance, Federal guidelines and official statements about them are read with excruciating, comma-picking care, there is a kind of stock market effect at work, whereby the most minute evidence of loss of resolve in Washington is registered at once in declining cooperation on the part of those companies or school districts or local governments still holding out. Reportedly, right on the heels of Mr. Packard's decision, inquiries did start coming in—from other Government agencies as well as from private concerns—as to whether this did not mean new and relaxed procedures were now in effect.

By May 1, the Southern textile firms in question will be obliged to issue a quarterly report on their progress in meeting Government requirements. Customarily, the Pentagon would issue instructions as to what it wished answered in that report. This routine procedure offers an opportunity to retrieve the situation somewhat: a public and specific list of what the Federal Government expects to hear about in that report would have the effect, retroactively to be sure, of establishing the compliance terms the mills are expected to meet. Nor would it be a bad idea to issue such a public declaration before the end of March, since additional contracts are scheduled for award by then and some are expected to go to the same three firms. The Administration, via the Pentagon and the Labor Department, should be trying to strengthen the compliance program, not weaken it. They will have the most cause for regret if they open a Pandora's box of resistance and regression.

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[From the St. Louis (Mo.) Sentinel, Apr. 19, 1969]

BIAS IS CHARGED IN CIVIL SERVICE

(By Ethel L. Payne)

WASHINGTON.—Clifford L. Alexander Jr., outgoing chairman of the Equal Employment Opportunity Commission, charged the U.S. Civil Service Commission with gross discriminatory practices within its own agency and called for taking away its equal employment responsibility and placing it in EEOC. At present, the Commission is empowered to deal only with discrimination in the private sector of employment.

Alexander made his remarks at the Eighth Annual Business Week Luncheon of Alpha Gamma chapter of the Iota Phi Lambda sorority last Saturday in the Hotel America honoring Mrs. Ruby C. Martin, former director of the Office of Civil Rights in the Department of Health, Education and Welfare, and Mrs. Etta Horn, chairman of the City-Wide Welfare Alliance.

Under Sec. 103 of Executive Order 1142, issued in 1965, the Civil Service Commission has the duty to supervise equal employment opportunity within the federal government. Recently, President Nixon issued a new directive to heads of all agencies re-emphasizing his desire for carrying out the policy of equal opportunity.

Significantly, he did not make any reference to private industry or the work of EEOC. There are 2,800,000 employees under Federal Civil Service.

THE FIGURES

In the Civil Service Agency headquarters, Alexander cited these figures:

GS–18—6 (no blacks).

GS–17—8 (no blacks).

GS–16—29 (no blacks).

This means that of the 43 super grades in the agency there are no blacks or other minorities. In GS–15 of 115 employees, four are blacks. The responsibility for carrying out the provisions of the executive order for the entire Federal Government lies with one GS–15 who has a staff of one. Alexander said the Commission is giving only the barest token attention to the problem. This can be changed by executive order.

"I am in favor of administrative neatness in equal employment," said Alexander.

In contrast to the poor record of the Civil Service Commission, Alexander said his agency, EEOC, has one GS–17 black of two in this category; GS–16—7 blacks and GS–15 of 26, eight are blacks.

"Of course, we are a much smaller agency than the Civil Service Commission," said Alexander, "but this is all the more reason why the Commission which has the responsibility for supervising fair employment ought to set the best example."

POLITICAL CLEARINGHOUSE

Alexander charged that the Civil Service Commission has become a political clearinghouse for the Nixon Administration to reward friends, and said that either it should set absolute standards to apply fairly to blacks, Spanish sur-named people, Orientals and women or else get out of the business. He said that he had personally sent over the résumés of four blacks in career status who are qualified for promotion to GS–17 four months ago, and these have been languishing on the desk ever since.

Alexander criticized testing methods as devised by the bureaucrats in the Civil Service Commission as grossly unfair to minorities. They are geared entirely to paper qualifications with emphasis on college education.

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[From the Washington (D.C.) Evening Star, June 24, 1969]

FINCH SEES EASING OF INTEGRATION DRIVE

(By Shirley Elder)

The Nixon administration seeking a more "sophisticated approach," plans to ease up on the drive to compel school and hospital desegregation under the 1964 Civil Rights Act.

Health, Education and Welfare Secretary Robert H. Finch told a House Appropriations subcommittee the government's past efforts to carry out the law's command resulted in a "numbers game" that fails to reflect honest intentions to obey.

"They (government agents) came in with percentages that really did not explain the whole problem," Finch said. "I think in many early cases decisions were based on very limited and totally statistical data that didn't really tell whether a particular district was really trying to comply."

A record of the budget hearings conducted in March and April was released today.

In approaching the problem differently, Finch said, he hopes to work more closely with the states, rather than fighting for racial balance district by district.

"I do not think we have involved the state superintendents and state governing bodies to the extent we should," Finch said. "We can keep the heat on, but we need some help to accomplish what Congress intended in 1964. . . .

"There are a lot of buttons we can push. We do not have to go in with an ax; we can and should use a scalpel and work with the leadership of the community."

Finch said he was asking Congress for only seven more staff members in the civil rights compliance division of HEW. Added to the present staff, he said, this would enable HEW to investigate one-fourth of the cases listed with "possibly serious compliance problems."

Of 1,165 Southern schools that might be violating the law, Finch said, only 575 will be reviewed. However, all colleges will be checked out.

Of 4,000 hospitals and 5,000 nursing homes possibly in violation, he said 1,000 and 600, respectively, will be studied.

"I am convinced, particularly in the South, there is a bona fide effort on the part of almost all districts to comply," he said. "Our trickier and tougher areas are in the North and West."

As of March 1, HEW had begun a noticable shift in emphasis away from Southern school districts.

According to HEW figures, 64 members of the compliance staff were assigned to the North and 51 to the South. Last October, there were 32 in the North and 67 in the South.

OTHER TOPICS DISCUSSED

Among other subjects discussed in the wide-ranging hearings were the threatened freeze on the number of welfare recipients, campus unrest, and what to do about far-flung agents of the secretary, who are posted in regional offices.

On welfare, Finch said he hopes Congress will lift the freeze for another year. The Senate already had voted to suspend it altogether. If the House fails to act, the restriction, cutting welfare case loads back to Jan. 1, 1967, levels, will go into effect.

On campus disorders, Finch said he has alerted college officials to the law requiring revocation of federal grants to students convicted in disturbances.

On regional directors, Finch said he hopes to make these posts political appointments instead of civil service to assure greater loyalty to Washington.

NO JUURISDICTION CHARGED

The Justice Department yesterday asked a federal court to dismiss suits challenging defense contracts to three textile mills that had failed to comply with equal job opportunity standards.

In motions filed in U.S. District Court here, Justice contended the court lacked jurisdiction on the complaint brought by the NAACP Legal Defense and Education Fund. It also said the fund had failed to exhaust other remedies before bringing the suit.

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[From the Washington (D.C.) Afro-American, July 15, 1969]

WILKINS SPEAKS

(By Roy Wilkins)

To help them properly appreciate the Fourth of July, colored Americans were told by their government July 3 that the federal school desegregation requirements were "too rigid" and "too inequitable."

But to the puzzlement of everyone the government maintained vehemently that it was not changing policy. With this kind of inexorable tread, the nation enters another crisis involving white and black citizens and the relationship of the latter to the government of the United States.

Whenever we come to a crunch period in race relations, those who are not in direct, face-to-face conflict with blacks usually sanction the control ideas of the whites on the racial fear and the racial aggrandizement battle lines.

Today, five years after the enactment of the 1964 Civil Rights Act, those far above the border clashes are seeking to ease the provisions of that act. They are not disowning it. No, indeed. Instead, they insist, they are "enforcing" it, but with interpretive variations.

Nearly every newspaper called the government action on enforcement of the 1954 Supreme Court decision a "scrapping" of the already mild rules. The remaining school districts which, by hook or crook, defied all pleas to comply, need not concern themselves with deadlines.

There need be no alarm, no scurrying about, no contrived tales. The heat is off. Talk vaguely about administrative and educational problems and the district has it made. The "white" schools will continue to get the cream off the federal monies and the black schools the left-over skimmed milk. No change in the generations-old formula. Just a "more efficient" administration of it.

PACKAGE OF JOY

Not satisfied with its July 4 package of joy on public education, the Nixon Administration is "re-structuring" the provision of reinforcing the Civil Rights Act's equal employment opportunities commission. Through Senator Everett McKinley Dirksen, it condemned in sonorous tones the "harassment" of businessmen to get them to employ colored workers. Reaction was sharp.

Seeking to erase the unflattering Dirksen image, the Department of Labor announced that a formula for hiring minority group workers must be followed if employers want government contracts. No less a commentator than Barron's, the financial weekly, let out a roar of editorial objection. Barron's wound up joining the late Dwight D. Eisenhower in his celebrated "minds and hearts of men" judgment. Such matters, said the Barron's editorial, are best left to "example, persuasion and goodwill."

We shall see what we shall see. Will the government back down on its formula for black jobs and return to the Dirksen harassment thesis, just as it has backed down on school desegregation?

The government statisticians know that jobs for blacks in the building trades, despite policy statements from high labor officials, are simply not there. They know the equal employment commission does not have enforcement powers. They recall a 100 per cent failure of 300 blacks by a union oral examining committee after all 300 had passed written tests.

UNCHANGING JOB RATE

The government knows that the unchanging high unemployment rate among colored people is revealed each month by the Bureau of Labor Statistics. The affected blacks may not be able to evaluate statistics, but they know they are jobless. Moreover without a degree, they can recognize an all-white skilled work force a half mile away.

If no redeeming steps are taken to enforce the law on discrimination in the schools and on deprivation on the job front, a real crisis will be upon the nation. It will be on the loss of faith in the perception and impartiality of organized government.

Tragically in 1969, it will revive the tradition of leaders doing the bidding, in a crisis, of the racially-biased camp followers.

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[From the Washington (D.C.) Afro-American, July 15, 1969]

TO BE EQUAL: ATTACK ON FOUNDATIONS PART OF BACKLASH MOVEMENT

(By Whitney M. Young, Jr.)

At this time, when we hear so much about how important it is for the private sector to become involved in voluntary efforts, a major attack has been launched on organizations doing just that.

Proposed changes in the tax laws include provisions that could just about wipe out any meaningful work for social progress by foundations.

The proposals include: a five percent tax on foundation income, a ban on voter education programs, and a ban on attempts to influence government decisions. There are others too, but these are the most damaging.

The proposed tax on income would yield only about $60 million and probably cost more to collect than it would bring in. But schools, hospitals, and other beneficiaries of foundation grants would feel the pinch. And the government would probably have to spend even more money to take up the slack caused by reduced foundation support of such institutions.

The ban on voter education drives is totally unjustified. The creation of informed electorate and the education of citizens to get them to register and vote is something the government itself should be doing. Instead, its been left to foundations to support such projects.

A democracy can only survive if its citizens take an active interest in political questions and vote. Stopping the foundations from such activities can only increase voter apathy and non-participation. And it might even lead some to believe that social change can't be accomplished by the ballot.

INFLUENCING FEAR

Preventing foundations from "influencing government decisions" is also ridiculous. It's so vague that it can be interpreted to mean that a foundation couldn't sponsor a meeting on a social problem, for fear that a government official may attend and be "influenced."

Internal Revenue regulations already on the books stop foundations from lobbying openly or giving their support to those whose major efforts are overtly political. Simple enforcement of these is enough to stop whatever abuses exist.

Other abuses, such as creation of private foundation as a tax dodge for the wealthly can easily be handled by whatever law or regulation is required. And the foundations themselves have proposed that a new office be set up to regulate such activity.

But if the new law isn't aimed at the minor abuses that may exist by some fringe foundations, why has it been proposed?

It appears to be a politically inspired effort to punish foundations for their newly discovered interest in racial and urban problems.

Several foundations have pioneered in voter registration drives among rights groups and others interested in making democracy work.

COUNTRY LOSER

So the word has gone out among the backlashers: Punish the foundations. But the real loser is the country.

The major contributions foundations have made is to support new ideas and programs; the kinds of things, especially governments, have been unwilling to take a chance on. Without foundations, there might never have been public libraries, teacher pensions, better health facilities, cures for malaria and other diseases, or educational television.

While black people were being firehosed and beaten in the South, and while the government was wringing its hands trying to figure out what was to be done, foundations were tooling up to tackle the major problems affecting black people.

If some foundations are abusing their tax-exempt status, regulate them. But don't punish all foundations by short-sighted punitive steps that can only result in great harm to the vitally important role they play in our national life.

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[From the Washington (D.C.) Post, May 10, 1969]

RACISM HELD PERIL TO MENTAL HEALTH

BAL HARBOUR, FLA., MAY 9.—An unpublished task force report of a national commission has asserted that racism threatens the mental health of every child in America.

This finding was not included in the final report of the Joint Commission on the Mental Health of Children, released here Monday during the annual meeting of the American Psychiatric Association.

Its elimination from the Commission's final report prompted the resignation of three of the 14 task force members. But two of them agreed to rejoin the task force on minority group children when the Commission promised to publish its report sometime in the future.

The task force found "racism the No. 1 health problem facing America." It used the higher-than-normal rates of infant mortality, mental retardation, complications of pregnancy, and mental illness among minority groups to bolster its conclusions.

But Dr. Reginald Lourie, president of the Joint Commission, said his staff disagreed with the task force's major conclusion on racism. He added that the task force is "completely entitled" to have its report made public. He did not say, however, if it will be presented to Congress next month along with the Joint Commission's own report.

The Joint Commission has called for a $6-billion to $10-billion-a-year attack on mental illness in children during the formative first three years of life. The minority group task force calls for increased spending and improvement in existing programs, but concentrated on an elimination of racism as the first step in improving mental health.

"The conscious and unconscious attitudes of superiority which permit and demand that a majority oppress a minority are a clear and present danger to the mental health of all children and their parents," the task force report said.

"We can no longer afford the feelings of guilt, fear, anxiety, and the other crippling emotions that affect both sides in a national atmosphere of hostility and aggression evoked by racial tension."

As an example, Dr. Frederick Solomon said in the report that ghetto children "are plagued by nightmares of rats and insects crawling on them." These nightmares "can be truly handicapping to a developing personality," the Washington psychiatrist said.

The member who resigned and refused to rejoin the task force, Dr. Chester M. Pierce, yesterday was named Chairman of the Black Caucus of the American Psychiatric Association, which has also called racism the Nation's major mental health problem.

Another of the task force members is Mrs. Fred R. Harris, the wife of the Oklahoma Senator.

The task force found the family "a principal contributing factor to the mental health" of minority group children. "The strength and love of the Negro mother is virtually a legend in our culture," the task force said.

It recommended the formation of "The National Council Against Racism" to act as a clearinghouse for effective racism-reducing programs and to gather statistical information on minority groups.

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[From the Washington (D.C.) Evening Star, May 4, 1969]

PENTAGON HIRING BIAS STARTLES CONGRESSMEN

(By Carl T. Rowan)

A few weeks ago I wrote that the Defense Department, the largest employer in the nation and the biggest spender of the public's money, is also the biggest racial discriminator in employment.

I didn't know how bad things really were. But thanks to Reps. Gus Hawkins and Glenn M. Anderson, both California Democrats, the Defense Department has come up with some facts that Anderson's office calls "hard to believe."

Referring to my earlier column, Anderson asked Defense Secretary Melvin Laird just how many civilian "policymaking" jobs De-

fense has and precisely how many such posts are filled by black Americans.

Roger T. Kelley responded for Laird. He said that as for "super-grade" positions (GS–16, GS–17, and GS–18—not to mention executive level jobs), the Army has 136, not one of which is filled by a Negro. The Navy has 88 such posts, with one black GS–17. The Air Force has 96 super-grade posts, none of which is filled by a Negro American. The office of the Secretary of Defense and the defense agencies have 203 super-grade slots. Two are filled by black men.

So of a total of 523 super-grades in the military complex, only three Negroes are employed, and two of them are in "civil rights" jobs.

None can really be called a policy-maker. Of 48 executive positions, none is held by a Negro.

Yet, Kelley wrote on behalf of Laird: "Please accept our assurance that affirmative action, to assure equal employment opportunity at all levels within this department, is a matter of first priority."

And with that Kelley sent the two congressmen mimeographed copies of Laird's "equal employment" directive that no one seems to take very seriously.

I must point out, however, that Laird and President Nixon are not solely responsible for the appalling employment picture at Defense. It was just as pathetic during the tenures of Clark Clifford and Lyndon Johnson, of Robert McNamara and John F. Kennedy. It seems no one has ever had the guts or the inclination to do anything about it.

After my earlier column there was a lot of hand-wringing in the Pentagon, but not over the question of who was going to take steps to at least create a pretense of fair hiring policy. The hand-wringing arose from a fear that what I had written would be mailed to black GIs in Vietnam, Thailand, and Korea and intensify the racial unrest that has been building among our troops in the Far East.

The Pentagon has tried to keep this seething racial discontent from the public, but some of the facts have leaked out in recent weeks.

The truth is that more and more black troops feel that they are getting the dirtiest, most dangerous jobs, are being wounded and killed in numbers larger than their proportion of our fighting force in Vietnam, yet they have a harder time getting a promotion in the military or a fair chance once they return to civilian life.

Some of the 300,000 black men in the military are clearly in a mood to rebel.

This column has never advocated anything other than that young men of all races face up to and discharge the responsibilities of citizenship, onerous though they become on occasion.

But nothing encourages a "hell no, we won't go" attitude on the part of young blacks more than knowledge of the kind of civilian hiring policy the Defense Department is following.

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[From the Washington (D.C.) Post, Apr. 20, 1969]

EQUALITY IS CALLED MOSTLY TALK IN FEDERAL JOBS

(By William Raspberry)

The past two columns in this space have dealt with weaknesses of the Federal Government's equal employment opportunity program, based on a 13-page memo from the former chairman of the Justice Department's Community Relations Service.

The thrust of the memo is that equal opportunity has been a good deal more talk than action, that blacks are still concentrated in the lower civil service grades and that many government executives have either not understood or only half-heartedly supported equal opportunity goals.

But the memo also offered some suggestions for change.

"If Federal administrators and managers can agree that career development training for Government employes is a general problem, they should see also that the problem is greatly magnified and much more serious for minority employes," the memo said.

"When minorities reach the upper echelons of their particular job categories as clerks, typists, messengers, etc., there are no significant means for those with ability and desire to enter other areas leading to rewarding careers.

"For those who wish to pursue greater self-development, the Federal Government should be the catalyst. There should be aggressive, on-going training programs for improving morale, promoting self-help and productivity and good citizenship generally."

The memo notes that the Government's Career Development System does provide for executive training (grades GS–16 to 18) and some mid-career training (GS–12 to 15), but charges that there are only spotty training opportunities for the lower grades where minority members are concentrated.

(Approximately 78 per cent of all Negroes in General Schedule jobs are in grades GS–1 to 4.)

Aside from training programs, the memo calls for the hiring of more Negroes in policy-making jobs as "essential to any serious effort" to increase the quantity and quality of Negro assignments.

Then it makes this interesting point:

"Early in the Kennedy Administration, it was the practice to bring well-qualified blacks into Federal employment in staff rather than in line jobs . . . At least half of the blacks that came into the Government at GS–12 and above during these years came in as special or staff assistants.

"Whether inadvertent or not, the placement of blacks in staff positions tended to perpetuate black dependency inside the Government. The ability of the black staff man to influence policy depended almost entirely on his ability to have access to and to persuade his principal . . . His ability to influence the placement of black employes in programs with which he was connected was almost nil."

The memo proposes that if these "talented blacks" are qualified to be special assistants at GS–12 and above, they are also qualified to run programs. And if they are in supervisory positions, the presumption is that they will be "more sensitive to the need for black talent and better able to find it."

But is the talent there? The framers of the memo answer was an emphatic yes.

"The fact is the responsible people are not really looking for opportunities for minorities," they charge. "It is interesting to note that white academicians from big schools or lawyers from prestigious firms are presumed able to perform in a fantastic variety of posts while specific background for the task seems irrelevant.

"The blacks who have attained high posts for the most part are not the result of any exhaustive talent search. Someone with the power of decision wanted a certain man in a certain post and put him there. The backgrounds have been varied, the performances superb."

One other point made in the memo is that many blacks who feel they have been discriminated against in assignments and promotions are reluctant to file formal charges because they have little faith in the civil service grievance system.

The suggestion was that the Civil Service Commission end the practice of having agencies investigate themselves and instead place both the initial grievance and the appeals process outside the employing agency.

The memo, written under the supervision of former CRS Chairman Roger Wilkins, is the work of seven Negro employes of several agencies who run the gamut from an assistant secretary to a chauffeur.

[From the St. Louis (Mo.) Post-Dispatch]

CITES RATIO OF NEGRO COLLEGIANS

(By William K. Wyant, Jr.)

WASHINGTON, May 17.—A higher education survey made public today shows that in 80 predominantly white state universities less than two in every 100 students are American Negroes.

The study, called "State Universities and Black Americans," was a joint effort of the National Association of State Universities and Land Grant Colleges, the Southern Education Reporting Service and the Southern Education Foundation.

"There is a widespread assumption, sometimes spread by press accounts of campus disorders, that a massive wave of black students is having a malevolent effect on higher education," the report says in a summary.

"That assumption is not borne out of this study. It is apparently wrong on two counts: The 'wave' is more like a ripple, and the effect, though often unsettling, is more salutary than sinister."

In the 80 predominantly white state institutions, it is pointed out less than one of every 100 graduates and faculty members are American Negroes. The black proportion of the United States population is given as about 11 per cent.

MORE FOREIGN STUDENTS

The report indicates that there were more foreign students at American colleges and universities last year than American Negroes. A majority of this country's black college students are still in institutions formerly all-Negro.

Basis for the survey was a questionnaire mailed out last November to the 100 member institutions of the National Association of State Universities and Land Grant Colleges. All 100 made reply, and 98 provided information on enrollments in the fall of 1968.

The 80 predominantly white institutions, including those in Southern and border states, had 23,630 Negroes (1.93 per cent) in a total undergraduate enrollment of 1,222,382. They had 6,149 Negroes (1.91 per cent) among 322,069 students in all graduate and professional schools.

For 17 originally all-Negro state universities and Land Grant colleges in 16 Southern and border states, total enrollments were 44,803 for undergraduates and 3,576 for graduate students. Their non-Negro enrollments were 1,993 (4.4 per cent) and 236 (6.6 per cent) respectively.

Separate figures were also given for 28 predominantly white state universities and land-grant colleges in 17 Southern and border states, including Missouri.

The 28 southern-border institutions showed 6,004 Negroes (1.76 per cent) in a total undergraduate enrollment of 398,249 in graduate schools. There were 1,552 Negroes (1.69 per cent) in a total enrollment of 10,732.

MISSOURI UNIVERSITY CITED

At the University of Missouri, the report indicated 750 full-time Negro undergraduates in a total of 28,794 and 200 graduate students in a total of 8,151.

Citing previous surveys made by others, the state university report says the proportion of Negroes in private institutions of higher learning is slightly higher than in the case of state colleges and universities, but the number of Negroes enrolled in public institutions is almost five times as great.

The report has 96 pages. It includes articles on Federal City College in Washington, Rutgers University, the University of California at Los Angeles, Wayne State University and Indiana University.

"In the past two or three years," the report says, "many institutions of higher learning have begun to increase educational opportunities for black Americans. The

statistics . . . indicate that almost half of the Negroes in predominantly white state universities are freshmen."

## CIVIL RIGHTS

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

Mr. STOKES. Mr. Speaker, I want to join with my colleague, Mr. WILLIAM "BILL" CLAY, in his remarks regarding this important subject. Mr. Speaker, a few days ago, I, along with many other Americans, had the breathtaking experience of personally witnessing the historic launching of Apollo 11. As an American, I, too, shared the exhilaration which raced through the hearts of all others as the sky burst open in a cloud of fire and Apollo 11 was launched.

The events of the next few days established our Nation as the world leader in scientific and technological advancement. This Nation, by placing man on the moon had conquered space, a feat never before achieved.

It has been said, Mr. Speaker, that the first step on the moon represented the step that divided history. Therein the sands of time will record for posterity man's greatest achievement.

It is now—while we are jubilant, while we exalt in this step that for a moment made time stand still—that we ought to take time to reexamine our claim of greatness.

Mr. Speaker, in the short span of 10 years, this Nation set as its goal to send a man to the moon and bring him back safely again. In pursuit of this goal, we spared neither manpower nor finances. This Nation utilized all of its great resources in a collective venture which culminated in a successful bridging of the 238,000 mile gap between earth and the moon.

Now as we stand at the center of stage and take our bows, can we, on a day like this, continue to forget about those Americans who stand offstage—those who have never heard the plaudits of the crowd?

Today is a good day for us to reexamine our national priorities, to evaluate the posture of the President of the United States and the goals which he has set for people here on earth.

As Apollo started its historic trek to the moon, all of us recalled the commitment made by this Nation at the call of our late President, John F. Kennedy, in 1961. How, Mr. Speaker, for instance, does this Nation justify sending a man to the moon while we are still studying hunger. Just think of the difficulty we have had just discovering hunger—not on another planet—but right here in America.

Sharing equal time with our achievement in space is our underachievement on earth—our joblessness, homelessness, poverty, ignorance, blight, pollution, racism, discrimination, and a myriad of unsolved domestic problems which make life on earth miserable for many Americans. Let us examine whether goals have been set by our President to eradicate these ills from our society. Let us see what goal or goals he has set to commit this Nation to its unfulfilled promise of equality of opportunity for every American regardless of race, creed, or previous condition of servitude.

Numerous blemishes are discernible when one reviews the administration's 6-month record on civil rights. Some are readily apparent, like the absence of nonwhites from the Cabinet, the shabby treatment of former Equal Employment Opportunity Commission Chairman Alexander, or the easing of the school desegregation deadlines. Others, such as the early abandonment of the war on hunger, the budget cuts in the aid to education program, the failure to fight against similar slashes in low-income housing programs, and the unwavering devotion to military spending were only slightly less obvious. I have spoken out on many of these subjects previously. Today, however, I would like to review two particular instances when the administration not only managed to perform a disservice to the cause of a united America, but actually attempted to convince the country that they were striking a blow in behalf of that goal. I refer to Mr. Nixon's failure to request an extension of the 1965 voting rights bill and his earlier emasculation of the Job Corps program.

Everyone in this Chamber knows why the Voting Rights Bill of 1965 was passed. It is no secret, and I see no reason to resurrect the infinite numbers of incidents of bigotry and cruelty which finally convinced the Congress that black American citizens in the South were systematically being denied the primary right of their citizenship. On June 26, however, Attorney General John Mitchell announced on behalf of the administration that this law had outlived its usefulness and recommended that Congress allow it to lapse in August of next year. His reasons—and I attempt to state them as objectively as possible—were—

First, that the 1965 law is "regional legislation" and that voting rights was a national problem;

Second, that the substitute bill be proposed would "strengthen and extend existing coverage in order to protect voting rights in all parts of the Nation"; and,

Third, that the old law had achieved its objectives since more than 50 percent of the eligible black voters were registered in every Southern State.

I have studied the Attorney General's reasons, Mr. Speaker, and have found them not to be persuasive. Let us examine them in the order in which they were stated.

The "regional legislation" argument is absolutely ridiculous, first, because the law does indeed apply to the whole country. While only two counties outside the Deep South have, thus far, been affected, all jurisdictions are theoretically subject to its requirements. More importantly, however, it conveniently overlooks the fact that much of the legislation passed by this body can be termed "regional" by Mr. Mitchell's definition—that is, predominately affecting only certain States. Are the oil depletion allowances and import controls aimed at the New England or Pacific Northwest States? Or the cotton subsidies for the Midwest? Hardly. Our complex set of fishing laws have little direct impact between the coasts, yet no one, to my knowledge, has indicated that these are in any way unfair. How about the plethora of public works bills we pass every session? The point is, Mr. Speaker, that very often the Congress is viewing only a particular part of the Nation when it adopts a law. There is nothing whatsoever wrong with this, because obviously any problem should and can be solved where, and only where, it exists. Moreover, just as the cotton subsidy program, the fishing laws, or a new dam are only directly concerned with a given number of States, they are nevertheless important to consumers all across the country. And if we can admit this, it seems no logical jump at all to say that the denial of the right to vote to any American is of nationwide importance in our supposed democracy.

Mr. Mitchell's second argument, that stronger national laws are needed against literacy tests and State residency laws, is no argument at all. One can only respond, "Wonderful, I am all for it, but what does this have to do with discrimination practices in the South?" I have urged several times during the past year that legislation encompassing these points be enacted, and would be more than happy to support an administration bill of this nature. I cannot, however, perceive how the need for one kind of legislation in any way vitiates the need for another. The administration bill does not even purport to deal with racial discrimination other than that effected through the use of literacy tests. Therefore, it seems a bit incredible that it pretends to be a substitute for the 1965 law.

The administration's final reason for not recommending extension, that the need for the law has ceased to exist, would be a persuasive one if it were only true. Unhappily, it is not. While we all share the Attorney General's enthusiasm about the 800,000 Negroes registered to vote in the seven States to which the law has primarily applied, it nevertheless seems a bit naive to stop the investigation at the statistical level and not explore the substance of what is currently happening in the South.

I would like to refer to a report compiled by the U.S. Commission on Civil Rights concerning irregularities in municipal elections in the State of Mississippi. The report delineates the numerous problems which the black voters faced when attempting to participate in those elections. Many did not register because of bombing threats. Others could not because of intentionally shortened registration hours or deceptive practices which gave the voters the impression they were registering when they were not. Many potential black candidates were purposely given false information on how to file. On election day, black poll watchers were not allowed near the polling places, the token number of black election officials were not permitted to assist the blind or the handicapped, and white election officials attempted to influence illiterates not to vote for black candidates. In one town, an armed deputy harassed black citizens until many

gave up without voting. The report summarized the day in this way:

> Most of the Black candidates interviewed, regardless of whether they won or lost and regardless of whether they believed the election has been fair, believed that there would not have been as fair an election had it not been for the presence of Federal Observers and the presence of numerous lawyers and others serving as poll watchers. Although there were criticisms of the manner in which the Federal Observers carried out their duties, not one Black candidate in a county where Federal Observers were present believed the election would have been run in an honest manner were it not for the presence of these observers.

And when did this all-too-familiar parade of horrors occur? Not in 1965, 1966, or 1967, but on May 13, 1969. In fact, the Commission report to which I have alluded was issued on June 16, just 10 days before Mr. Mitchell indicated that all was now well in the Southland. In light of this kind of evidence, and there are stacks upon stacks more of a similar nature, I have a very difficult time understanding the Attorney General's rationale.

So why was this epitaph written for this vital legislation on such flimsy reasoning? That, Mr. Speaker, is the key question. Only two possibilities come to mind. Either the administration simply did not do its homework—which is very difficult to believe since Mr. Mitchell canceled five appearances before the Judiciary Committee spaning a 6-week period before showing up—or this was but another rebate by Mr. Nixon to Senator THURMOND and other participants in the southern strategy. If the latter is the case, and it indeed appears so, then the President has intentionally alined himself with the forces of reaction and bigotry, and deserves the shame of all of his countrymen who sincerely believe in the concept of equal rights for all Americans.

The earlier administration decision to shut down 59 of the 109 Job Corps centers, thus eliminating 17,000 slots from the program, was one which superficially, and to some degree actually, affected all youth without regard to color. Certainly, many of those turned out of the centers to return to lives of misery, ignorance, and property were white. But an analysis of the administration's stated rationale for ordering the cutbacks lends strong credence to those who have found racial overtones in this action.

To understand this, one must juxtapose the Job Corps concept of vocational preparedness with those of the other major Federal manpower programs to which the evicted and potential Job Corps trainees will henceforth be referred: Concentrated employment program—CEP—job opportunity in the business sector—JOBS—manpower development and training—MDTA—and the on-the-job training program—OJT. All of these projects have great merit, and are potentially vital steps toward achieving the goal of jobs for all who want them. All have some provision of counseling and other minor services as well as simple training. And all will receive funding increases in fiscal year 1970. For these reasons, the administration decided that the Job Corps could be sacrificed, and announced to the country that this was being done to promote efficiency in the Federal manpower effort.

But again, Mr. Speaker, the decision was either carelessly or malevolently conceived, and will operate to deprive many young people, especially urban blacks, of the only possible avenue of escape from a life of uselessness and destruction.

The Job Corps, as opposed to CEP, JOBS, MDTA, or OJT, is much more than a job training program. It is, as one writer has noted, "a human reclamation program." Some figures on the enrollees reflect the source of this title. Sixty-four percent of its enrollees are dropouts from schools. Over 60 percent are from broken homes. Almost 40 percent are from welfare families. Eighty percent had not seen a doctor or dentist in 10 years. And while they averaged 9 years of schooling, they read at a fifth-grade level. Many are blacks from our inner cities, and they bring 16 to 21 years of bitterness, resentment, and anger with them to the centers. They are the true outcasts from our educated, healthy, and affluent society—the harvest of decades of discrimination and neglect. Their recent backgrounds are replete with various forms of antisocial activity, and few have any real hope of ever changing that life style. They are, in sum, the youthful incorrigibles.

To combat these enormous difficulties, the Job Corps was instituted to provide not only job training, but physical rehabilitation, remedial education, and counseling services as well. All trainees are given round-the-clock attention and help by full-time staffs with great expertise in dealing with the enrollees' problems. Moreover, the urban trainees are physically removed from the mentally and spiritually dehibiliating environment of the central city. Thus, the Job Corps program has become our first attempt to virtually reconstruct the hardest-core unemployables into productive individuals—individuals who would not only be equipped with the mechanical skills of a trainee, but also with the equally essential attitudes and abilities to cope with the often alien world of punctuality, responsibility, and teamwork. Years of studies and research clearly dictated that this approach was the only one with possibilities of success. And the Job Corps has had pronounced success with these youngsters. Seventy percent of all trainees either got a job, entered military service or even went back to school. That to me is an outstanding record when one considers the incredible barriers which accompany the trainee to the center.

Why, then, Mr. Speaker, are we abandoning, or at least hamstringing, this program when every indication is that it is the only major Federal manpower program which can successfully reach the very toughest and most resentful segments of our society? Has Mr. Nixon just decided to forget the hate-filled youngsters of the ghettos? This I cannot believe. No, Mr. Speaker, I am afraid we have negligence and pride at work here, not outright bigotry or callousness. The President promised over and over again during the campaign that the Job Corps would be absolutely eliminated. He said it again on national television the night of November 4. And he did this, I believe, without having sufficient information of the kind I have offered above. By the time he took office, he apparently had different thoughts, for absolute elimination became a 35-percent cutback. In short, the President seems to have painted himself into a corner.

What I ask vis-a-vis the Job Corps program, therefore, is that the President swallow a bit of pride and once again examine the facts, looking not only at the cold, hard statistics, but also at the human needs of some of the desperate young people in the inner city. I think he will find that these needs cannot be solved by a 10 a.m. to 2 p.m. job, a hot lunch, an armful of junior high textbooks, and the rest of the day back in the grim caverns of the ghetto. Only a total rehumanization process like that offered exclusively by the Job Corps can rescue these men and women. Indeed, if the President does not choose to make this reexamination, I fear we must all be prepared to suffer the consequences of another generation of young people who have grown up completely antipathetic to all the ideals we hold to be of value.

Mr. Speaker, it seems to me that if the first 6 months of this administration is any criteria of what the poor, the uneducated, and the black citizen of this Nation can expect, then an opportunity for greatness will have eluded this President. A nation which has set foot on the moon can no longer explain to the world why some Americans do not have shoes. A nation which now talks of building satellite stations in space can no longer explain to the world, why some Americans do not have a home to live in. A nation which can provide oxygen and water for men to live on on a planet where the gravitational change would occasion death within 3 minutes, can no longer explain why air and water remains polluted here on earth. A nation which possesses the engineering, scientific, and technological expertise to place a man on the moon can no longer explain why every American does not have an opportunity to be educated.

No, Mr. Speaker, our going to the moon did not settle for once and all time, the greatness of America. Our chance at greatness lies here on earth. One does not need months of laboratory testing to determine that our going to the moon points up our inadequacies on earth. Mr. Nixon, as leader of this Nation, the challenge is yours. How you answer it will, in a large measure, determine whether it is better to have gone to the moon or to have stayed on earth.

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## BLACK AMERICA IS GIVING UP ON NIXON

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

Mr. CONYERS. Mr. Speaker, I join with my colleagues, Mr. STOKES and Mr.

CLAY in an examination of the Nixon administration 6 months from its inception. I must begin by noting that his promise to end the war, made during last year's campaign, is still unfulfilled.

Black Americans are deeply concerned about this war, not only because of the young men who fight and die there, but because of their relatives who suffer at home because we do not have the money so desperately needed for domestic programs. Black Americans voice grave concern about the United States continuing military, economic, and moral support of a repressive, dictatorial government in South Vietnam which has caused some to wonder whether similar tactics might be used in the United States. If this administration truly believes in freedom and democracy, it is doing a poor job of proving it, not only to black America, but to the world, by continuing its support of a foreign government which has shown little or no interest in freedom, justice, or democracy.

Black Americans continue to be greatly disturbed by the Nixon administration's seemingly endless efforts to appease the South—watering down the desegregation guidelines, the proposed dismantling of the Voting Rights Act of 1965, the closing of Job Corps Centers that provided some small amount of training to ghetto youngsters, and a Small Business Administration that has moved so far away from any notion of developing black capitalism that even Republicans are demanding removal of its Administrator.

The Nixon administration has done little in positive terms to guarantee equality to black Americans, in fact, it has made some backward steps, notably the forced resignation of the former Chairman of the Equal Employment Opportunity Commission who sought only to effectively point out the bias and racism which is still pervasive in private industry and government alike.

The latest Labor Department statistics tell the story all too clearly, the unemployment rate in the black urban poverty areas continues to rise, while the rate in white areas goes down. The quality of inner city schools deteriorates even more as Federal funds become more difficult to come by. Housing segregation worsens in every major city in America. The stockpile of hard-core unemployables mounts in a nation whose gross national product continues to rise. The urban crisis and the race problem have yet to command the attention of President Nixon and his administration. This administration studies and re-studies the problem of hunger in America while millions continue to starve.

Professor Robert Lekachman, in the June 1969 issue of Commentary, made the following statement which reflects the concerns of black America:

Race and the cities: we cannot avoid as a nation the confrontation, which they impose upon us. As a people we have faltered before the choice of a full integrationist strategy designed to open white suburbs and white schools to black families and, in the inner-city ghettos, a strategy calculated to make life humanly tolerable and financially viable. Both approaches require very large quantities of resources for any hope of success, and although we all know by now that money alone does not resolve racial tensions deeply rooted in human prejudice and American history, we should be equally aware that these problems are highly unlikely to be ameliorated in the absence of a very large national commitment of public funds.

As for myself, any hope of reporting to black America that the Federal Government will move with more commitment or more speed to overcoming the inequality in this country is rapidly fading; and this point of view, I am sorry to note, is increasingly being shown across the country. The New Republic, July 12, 1969, made the following assessment which I hope will be reflected upon by those of my colleagues who seek to understand the dilemma of black Americans and who will join in the all important struggle against racism in America:

THE NATIONAL MOOD

Mr. Nixon figures that most Americans are fed "right up to here" with a lot more than the crime he mentioned when he thrust a hand under his chin and said at his press conference that dissatisfaction with public disorder explained the defeats of liberal candidates for city office in New York, Los Angeles, and Minneapolis. He figures that enough people to place Republican majorities in control of Congress next year and to relect him in 1972 are fed up with, among other things effective federal measures to guarantee black southerners the right to vote and black children the right to attend the public schools that white children attend.

Evidence that the President figures this way is to be found in the voting rights legislation recommended to Congress by Attorney General John N. Mitchell. More evidence to the same effect will be apparent when the Administration comes up with the revision of school policy that Nixon officials and the Departments of Justice and Health, Education, and Welfare are concocting. A common interpretation is that the voting-rights proposal and the pending school statement represent necessary payoffs to the white Southerners to whom Mr. Nixon is so largely indebted for his nomination and election last year. They are payoffs, and crude ones at that. But they also signify something of greater significance, and that is Mr. Nixon's reading of the predominant American temper. His assistants at the White House have been saying for many weeks that the kind of people who see in his concessions to the white South a retreat from nationally accepted standards of social and political decency do not understand what is really cooking in this country, and that Mr. Nixon does. What he perceives and is gambling upon is a national mood that is fundamentally identical with the Southern mood to which he catered last year and to which he is catering now in the hopes of national rewards at the polls in 1970 and 1972. He was not speaking idly last year when he included his Southern supporters in "the solid majority . . . the new coalition" of conservatively minded Americans that he then saw in the making. The coalition proved large enough to give him only 41 percent of the popular vote last November. But, with Southern help, it also gave him his electoral majority and that, quite plainly, is what he remembers and is undertaking to improve upon.

Only this line of calculation can explain the Administration's initial proposal to let the Voting Rights Act of 1965 lapse next year. It has worked quite well in the eight Southern states where it was intended to work. The Administration complaint that it is "regional legislation" and therefore unacceptable is so much rot. It is regional legislation because it deals with and has partially corrected a form of deliberate political denial that prevailed in 1965 and, if allowed to do so, would again prevail only in the Southern states and counties at which it was aimed. The Administration's "national" substitute for it is, even if it is not enacted, notice to Mr. Nixon's Southern white supporters and to his "silent majority" everywhere that he sympathizes with their reluctance to underwrite the political rights of black Americans with the full power and energies of the federal government. Some of his officials suggest that it is a signal flashed only for the record, that he and his Attorney General knew that Congress wouldn't let the '65 Act die, wouldn't replace it with the Nixon-Mitchell version. If so, the Administration proposal was political cynicism of the basest sort.

It is possible, perhaps even likely, that the forthcoming statement of school policy will not be quite so crass. We may expect that, like the Voting Rights proposal, it will be padded with claims of intent to continue enforcing the rights that it in fact impairs. The one conceivable reason for issuing it is to assure white Southerners, falsely, if the accompanying assertions of decent purpose are intended to be believed, that in this matter, too, they have the sympathy of the Nixon Administration, and have all the time to comply with the United States Constitution that Mr. Nixon and his officialdom can procure for them.

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## "CINDY" EDWARDS SPEAKS OUT

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

Mr. DON H. CLAUSEN. Mr. Speaker, with the summer well underway, many of us are privileged to have young people from our respective congressional districts serving in our Washington offices as interns.

In this regard, I am extremely fortunate this year to have Cynthia Edwards, from Santa Rosa, Calif., serving on my staff. Recently "Cindy" and I were discussing some of the issues and problems facing the Nation and our district. What this young lady had to say on the question of campus disturbances was so thought provoking and penetrating, that I could not help but feel that I had just heard some things articulated, that, to my knowledge, had never been publicized on the question. So, I inquired of "Cindy" if she would put the thoughts she had just expressed to me down on paper so that I might share them with some of my colleagues and record them permanently in the official records of Congress because I believe the points expressed are very timely.

Here then, are the thoughts of a young college student who attends the University of California at Davis, on some of the problems and challenges facing young people today. I do not suggest or pretend that "Cindy's" views represent those of any majority of college students. But, they are her views and, as such, they merit the attention of every Member of Congress and every person in this country who cares about how young people really feel and think about current issues and, more specifically, the so-called campus unrest question.

"Cindy" Edwards is reasonable, responsible, rational and very balanced

and mature in her evaluation of campus life and life in general. I sincerely believe she ably represents the character and views of the overwhelming majority of our young people—in whom I personally have a great deal of confidence.

Her statement follows:

STATEMENT OF CYNTHIA EDWARDS

It has been my observation that the impetus behind the present disruptions on our college campuses lies with a *small* hard-core element of students and non-students who are highly organized and extremely skillful in the process of manipulating our society's values toward their own revolutionary goals. By a careful selection of issues, such as the recent "people's park" dispute at UC Berkeley, where they tried, in the name of "human rights", to appeal to the emotional instincts of their fellow students and citizens, and more broadly, through a steady exploitation of the race problem, they sought to create a deep schism between these so-called "repressed" and all sources of authority—a division which they realize is essential to the destruction of our educational institutions and, in turn, the structure of our society.

One fact that these revolutionaries never lose sight of and which those who would attempt to correct this problem must realize, is that the success of this movement depends on the ability of this small group to manipulate minds. The large numbers which throng to their various incidents represent their ability in this endeavor. The majority involved do not realize what lies at the heart of this movement. They have reacted just as their leaders had hoped they would, having been swept up by the emotional charge of repression on the part of the establishment.

The frightening fact is that such a large number of our youths are hungry for this kind of cause—providing the opposition with a prime target. The target is composed of young people who, for a variety of reasons, carry some grudge against authority, and more than that, against *success*. Most are frustrated individuals who are dissatisfied with their personal achievement and who find, in this radical campaign, a kind of refuge—in fact, a rationalization for their own shortcomings. This movement offers them an escape, somewhere to belong—a cause where they find a certain respite from a world in which they haven't been able to compete successfully.

I found a number of persons with physical appearance problems, such as weight or unattractiveness, jumping into this radical cause where supposedly appearance is immaterial and where, in fact, the object is, conveniently enough, to forget personal appearance altogether. It offers them an easy way out, a way to turn inferiority into superiority, which is, in essence, the primary attraction of this movement.

There are, furthermore, those who have frustrating home lives, either where they have experienced unreasonable authority, or where too much has been expected of them or where affluence of varying degrees has presented a situation where life has been very materialistic, lacking human warmth and/or offering an abundance of idle time which is used to theorize, and leads often to the misdirected idealism so characteristic of this far-left cause. It is generally in this category that one finds an increasing number of professional students who seem content to theorize for the rest of their lives, never experiencing participation in the day-to-day functions of the world outside—the world which they denounce.

I find also a segment who feels that government, as well as our educational institutions, are monsters over which they can have no control and consequently with which they have no identity. The present disruptions have offered them a chance to vent this bitterness.

Another segment which cannot be ignored consists of those who find a certain glory in belonging to, or being part of, the latest fad, and in assuming leadership positions thereof which bring them into public focus.

Whatever the specific cases may be, the fact remains that the frustration felt by much of our society, particularly the youth, is being exploited by a group who will not lead them to the correction of their problems but rather, to a much worse state, where everything positive that this country has achieved will be destroyed and replaced with utter chaos. It is this large frustrated group which is now so vulnerable to the radical segment which, in my opinion, must be reached if we are to halt the present trend.

What I find most disturbing about this present situation is that a striking majority of those in my generation who plan to make their careers in government are of this mis-directed liberal group. Idealism is widespread—mine is a very philosophically oriented generation of college students. Never have young people had so much time to think, and it seems that never has the number of practical, pragmatic doers in the field of political science been so limited.

An effort must be made to bring this group out of the clouds, to awaken them to what they are in truth contributing to, and lead them in a direction which will be of real practical value to their country.

## A $20,000 LIMIT IN NEW WHEAT PROGRAM?

The SPEAKER pro tempore (Mr. EDMONDSON). Under a previous order of the House the gentleman from Illinois (Mr. FINDLEY) is recognized for 10 minutes.

Mr. FINDLEY. Mr. Speaker, in recent communications to the Secretary of Agriculture and the Comptroller General, I have raised questions as to the legality of formulating the wheat program for 1970 if it fails to provide for a $20,000 ceiling on payments to individual farmers.

The question arises because the appropriation for fiscal 1970 for the Department of Agriculture and Related Agencies has not yet occurred. Both the House and Senate have passed bills but they are in disagreement on a number of points, including the question as to a $20,000 limit on individual payments.

House conferees have not yet been named.

During the period of disagreement the provisions of the continuing resolution are effective. It requires that, pending the completion of the new appropriation, the affected department must be governed in its expenditures by the bill whose provisions are the lower of the two.

I received today a reply from the Secretary of Agriculture.

Text of my telegram of July 11 to Agriculture Secretary Clifford Hardin:

The provisions of H.J. Res. 790, passed by the House of Representatives on June 30 and subsequently by the Senate and signed by the President, provides authority for departments and agencies of government to continue operations pending final approval of appropriation bills. Careful reading of Section 101 raises serious questions as to the legality of any expenditures being made at this time by the Department of Agriculture or the Commodity Credit Corporation for the formulation of programs for the 1970 crop year which fail to establish a $20,000 ceiling on aggregate payments under wheat, cotton and feed grains programs to any individual farmer. I call this to your attention with special urgency, because your staff may well be in the process of formulating the 1970 wheat program, and perhaps the 1970 programs for cotton and feed grains as well.

The section clearly requires that the House version of the agriculture appropriation act for fiscal 1970 be followed. It further directs that, as between House and Senate versions the more restrictive authority be followed.

The language of Section 101–a–4 would not set aside this requirement, because the $20,000 limitation derives from a single appropriation, a single fund and a single authority.

Until disagreements between the House and Senate versions of the money bill are resolved, it would therefore seem illegal to spend funds during fiscal 1970 to formulate these programs unless subject to the $20,000 limit.

Text of Mr. Hardin's reply:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
*Washington, July 22, 1969.*

HON. PAUL FINDLEY,
*House of Representatives,*
*Washington, D.C.*

DEAR MR. FINDLEY: This refers to your telegram of July 11, 1969, concerning the question of whether H.J. Res. 790 (P.L. 91–33), making continuing appropriations for the fiscal year 1970, prohibits the use of funds for the formulation of price-support programs for the 1970 crop year which fail to establish a $20,000 ceiling on payments under wheat, cotton, and feed grain programs to any individual farmer.

As your telegram points out, paragraph (3) of section 101(a) of the continuing resolution provides that whenever the amount which would be made available "or the authority which would be granted" under the Appropriation bill as passed by the House "is different" from that which would be available or granted under the bill as passed by the Senate, the program shall be continued under the lesser amount or "the more restrictive authority."

However, paragraph (4) of the same section of the resolution contains the following express exception:

"*Provided*, That no provision (except a provision authorizing the filling of positions) which is included in an appropriation act enumerated in this subsection but which was not included in the applicable Appropriation Act for 1969, and which by its terms is applicable to more than one appropriation, fund, or authority shall be applicable to any appropriation, fund, or authority provided in this joint resolution unless such provision shall have been included in identical form in such bill as enacted by both the House and the Senate."

It is the conclusion of the General Counsel of this Department that this exception applies to the $20,000 payment limitation and that the payment limitation is, therefore, not applicable to the appropriations provided in the joint resolution. His reasons for reaching this conclusion are as follows:

The $20,000 payment limitation provides: "*Provided further*, That *no part of the funds appropriated by this Act* shall be used to formulate or carry out any price support program (other than for sugar) under which payments aggregating more than $20,000 under all such programs are made to any producer on any crop planted in the fiscal year 1970." [Emphasis supplied.]

The Department of Agriculture and Related Agencies Appropriation Act, 1970, (H.R. 11612) in which the payment limitation appears is a bill "Making *appropriations* for the Department of Agriculture and related agencies for the fiscal year ending June 30,

1970, and for other purposes." [Emphasis supplied.] It contains separate specific appropriations for various agencies and offices of the Department. The $20,000 payment limitation by its terms is applicable to each appropriation providing funds which are used in formulating or carrying out a 1970 price support program. As pointed out by the Comptroller General of the United States in his opinion of June 19, 1969, relating to the applicability of the $20,000 limitation, several of the appropriations which are contained in H.R. 11612—*e.g.*, the specific appropriations made to the Office of the Secretary of the Office of the General Counsel—provide funds for the payment of salaries of officials and employees of this Department whose services are utilized in formulating or carrying out a price support program. Since the $20,000 payment limitation applies to each of the several appropriations used in formulating or carrying out a 1970 price support program, it is clearly applicable to more than one appropriation. Therefore, since the limitation was not included in the Appropriation Act for 1969 and has not been enacted by both the House and Senate, paragraph (4) of the resolution expressly makes the limitation inapplicable to any appropriation, fund, or authority provided in the resolution.

Since we have submitted other questions concerning the payment limitation to the Comptroller General, we are requesting his opinion on the question which you have raised.

Sincerely,

CLIFFORD M. HARDIN,
*Secretary of Agriculture.*

## THE NEED FOR A FAMILY DOCTOR

The SPEAKER pro tempore (Mr. EDMONDSON). Under a previous order of the House the gentleman from Pennsylvania (Mr. ROONEY) is recognized for 10 minutes.

Mr. ROONEY of Pennsylvania. Mr. Speaker, in this age of specialization, it often is an almost impossible chore for a family to locate a doctor who will attend to the multiple medical needs of all members of the family. In my own State, Pennsylvania, the number of family doctors has declined by 300 within 5 years, despite substantial population growth.

The answer, I believe, can be found in a major national effort to encourage young people contemplating medical careers to specialize in family medicine. Several months ago I introduced a bill intended to produce the necessary national effort.

I am pleased to reintroduce this legislation today, with only slight variation of its original form, for myself and 41 of my House colleagues including several of the senior Members of this Chamber. The bipartisan list of sponsors reflects, I believe, broad recognition of the critical shortage of doctors in this Nation and the relief which could be provided all specialties of the medical profession if the training of family doctors can be stepped up.

This bill will establish a 3-year program of assistance to medical schools to expand existing programs or establish new programs to train general practitioners. It would authorize expenditure of $50,000,000 during fiscal 1970, $110,000,000 during fiscal 1971, and $160,000,000 during fiscal 1972 to develop the general practice training programs and facilities and to enroll greater numbers of potential family doctors in them. Priority for grants under the program would be assigned to those medical schools which provide for expanded enrollment.

This legislation is in keeping with the goal recently outlined by President Nixon to overcome critical shortages of doctors, and the more specific call of Dr. Roger Egeberg, the new HEW Assistant Secretary for Health, for training of many more general practitioners.

As Dr. Egeberg explained, there is an urgent need for family doctors who can treat 90 to 93 percent of the illnesses that afflict our population and which do not necessarily require attention of a specialist.

I am pleased to announce that the initial bill I introduced on this subject already has been endorsed by the board of directors of the American Academy of General Practice. Dr. Maynard I. Shapiro, academy president, advised me recently:

> The Academy stands solidly behind your proposal and will encourage its 50 state chapters to support it.

The urgency of America's short supply of health professionals—particularly doctors and nurses—cannot be over stated. Congress must act to combat the shortage if the ever increasing wealth of medical know-how is to be made readily available to all our citizens. The measure which my colleagues and I introduce today will provide the means to combat that shortage. I am convinced it warrants priority consideration.

A list of cosponsors of the bill follows:

Mr. Olsen of Montana.
Mr. Rogers of Colorado.
Mr. Helstoski of New Jersey.
Mr. Podell of New York.
Mr. Reuss of Wiseonsin.
Mr. Hungate of Missouri.
Mrs. Mink of Hawaii.
Mr. Carter of Kentucky.
Mr. Perkins of Kentucky.
Mr. Rees of California.
Mr. Roybal of California.
Mr. Gaydos of Pennsylvania.
Mr. Wyman of New Hampshire.
Mr. Pepper of Florida.
Mr. Murphy of New York.
Mr. Stanton of Ohio.
Mr. Matsunaga of Hawaii.
Mr. Scheuer of New York.
Mr. Mikva of Illinois.
Mrs. Chisholm of New York.
Mr. Fulton of Pennsylvania.
Mr. Hechler of West Virginia.
Mr. Andrews of North Dakota.
Mr. Donohue of Massachusetts.
Mr. Biaggi of New York.
Mr. Fish of New York.
Mr. Patten of New Jersey.
Mr. Rosenthal of New York.
Mr. Anderson of California.
Mr. Philbl of Massachusetts.
Mr. Derwinski of Illinois.
Mr. Dent of Pennsylvania.
Mr. Wolff of New York.
Mr. Hanley of New York.
Mr. Kluczynski of Illinois.
Mr. Kuykendall of Tennessee.
Mr. Gubser of California.
Mr. Daniels of New Jersey.
Mr. Brown of California.
Mr. Conyers of Michigan.
Mr. Biester of Pennsylvania.

H.R. 10264

A bill to amend the Public Health Service Act to provide grants to develop training in family medicine

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That part D of title VII of the Public Health Service Act is amended to read as follows:

"PART D—GRANTS FOR FAMILY MEDICINE TRAINING

"AUTHORIZATION OF GRANTS

"SEC. 761. There are authorized to be appropriated $50,000,000 for the fiscal year ending June 30, 1970, and $110,000,000 for the fiscal year ending June 30, 1971, and $160,000,000 for the fiscal year ending June 30, 1972, for grants to medical schools to assist in meeting the costs of special projects to plan, develop, or establish new programs or modifications of existing programs of education in the field of family medicine, and including the development and equipment of appropriate facilities.

"ADMINISTRATIVE PROVISIONS

"SEC. 762. (a) The Secretary shall by regulation prescribe the time and manner in which applications may be made for grants under this part.

"(b) To be eligible for a grant under this part, the applicant must be (1) a public or other nonprofit school of medicine, and (2) accredited by a recognized body or bodies approved for such purpose by the Commissioner of Education, except that the requirement of this clause (2) shall be deemed to be satisfied if, in the case of a school which by reason of no, or an insufficient, period of operation is not, at the time of application for a grant under this part, eligible for such accreditation, the Commissioner finds, after consultation with the appropriate accreditation body or bodies, that there is reasonable assurance that the school will meet the accreditation standards of such body or bodies prior to the beginning of the academic year following the normal graduation date of students who are in their first year of instruction at such school during the fiscal year in which the Secretary makes a final determination as to approval of the application.

"(c) A grant under this part may be made only if the application therefor—

"(1) is approved by the Secretary upon his determination that the applicant meets the eligibility conditions set forth in subsection (b) of this section;

"(2) contains or is supported by assurances satisfactory to the Secretary that the applicant will expend in carrying out its functions as a school of medicine during the fiscal year for which such grant is sought, an amount of funds (other than funds for construction as determined by the Secretary) from non-Federal sources which are at least as great as the average amount of funds expended by such applicant for such purpose (excluding expenditures of a nonrecurring nature) in the three fiscal years immediately preceding the fiscal year for which such grant is sought;

"(3) contains such additional information as the Secretary may require to make the determination required of him under this subsection and such assurances as he may find necessary to carry out the purposes of this part; and

"(4) provides for such fiscal control and accounting procedures and reports, and access to the records of the applicant, as the Secretary may require to assure proper disbursement of and accounting for Federal funds paid to the applicant under this part.

"(d) In determining priority of projects, applications for which are filed under this part, the Secretary shall give consideration to—

"(1) the extent to which the project will increase enrollment of full-time students receiving the training for which grants are authorized under this part; and

"(2) the extent to which the project may result in curriculum improvement or improved methods of training or will help to reduce the period of required training without adversely affecting the quality thereof."

## RESOLUTION TO ESTABLISH PERMANENT DRUG COMMISSION BETWEEN THE UNITED STATES, MEXICO, AND CANADA

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Texas (Mr. GONZALEZ) is recognized for 10 minutes.

Mr. GONZALEZ. Mr. Speaker, I am introducing today a resolution which would establish a permanent Drug Commission between the United States, Mexico, and Canada.

For some time now I have been concerned about the illicit flow of narcotics and dangerous drugs across the U.S. borders. Statistics from the Bureau of Customs and other agencies, and the present administration's interdepartmental task force conclusions provide sufficient proof that this problem warrants not only immediate action, but long-range planning. Various efforts have been made in the past by the United States, Mexico, and Canada to stem this unlawful trafficking of drugs; but despite these efforts, the problem still clearly exists. The situation I believe necessitates the combined efforts of the countries involved.

So it is that I am suggesting at this time that the Congress urge the President to seek the formation of a permanent drug commission with Mexico and Canada so that a full-force international effort be embarked on to investigate ways and means of reducing the unlawful trafficking of drugs. Such a Commission has never before been established, and I am hopeful that such a collective and comprehensive movement may be feasible at this time. The urgency of curbing these unlawful activities has long been recognized by the individual countries; what is needed now is a vehicle such as this Commission to coordinate international efforts for more effective planning and implementation of programs.

## HIGHWAY SAFETY: COMMENTARY NO. 10

(Mr. CLEVELAND asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. CLEVELAND. Mr. Speaker, last week I came across the following editorial reprinted in the Daily Eagle, of Claremont, N.H., from the Burlington Free Press of Burlington, Vt. The editorial indicates the concern that one of our Northern States has over the problems of attaining highway safety. The analogy that is drawn is an interesting one.

The editorial compares the annual slaughter on our highways to that of the Revolutionary War. The use of the image of war is appropriate. We ourselves must begin a war against highway carelessness. As the Revolutionary War freed America from British rule, so may a war against the senseless carnage on our roads free us from the rule of fear and danger that exists on our roads today. I recommend this editorial as worthy of careful reading by all people who are disturbed by the rising number of highway deaths:

HIGHWAY SLAUGHTER

There were 10,600 casualties in America's Revolutionary War two centuries ago. Now, in 1969, Americans are engaged in another kind of war which is far more costly in human lives than was the Revolution.

There were tens of thousands of casualties from highway accidents over the Fourth of July weekend which ended Sunday night. The exact number of casualties is uncertain, but the number included at least 570 deaths. More than 50,000 Americans will die in highway mishaps this year alone—five times the number of people killed and injured in the entire Revolutionary War!

Nine out of ten of these "accidents" are caused by driver error and lack of judgment. And most of them occur in good weather and on good roads.

Ethan Allen and his fellow Vermonters fought to run their enemies out of the country. Today many Vermonters seem determined to run each other off the road.

Allen was safer fighting the Redcoats than Vermonters are today fighting traffic. The reason is obvious: Although Allen was often reckless, he was never stupid.

Any Vermonter who is careless on the highways is stupid. Surely no sensible Vermonter would ride with Death!

Don't be stupid. Don't become a statistic among the 50,000 Americans who will die on the highways this year.

## SPIRIT OF ST. LOUIS

(Mr. HECHLER of West Virginia asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HECHLER of West Virginia. Mr. Speaker, while railroads are notorious for their efforts to deliberately downgrade passenger service so they can discourage people from riding their trains, Penn Central went a little too far in its efforts to eliminate the once famed Spirit of St. Louis. Some 35 passengers aboard one car on the Spirit of St. Louis did not take too kindly to the elimination of water, electricity, and air conditioning. So they did something about it instead of wringing their hands and having their complaints fall on deaf ears. They invoked the true Spirit of St. Louis as the following Associated Press article in the July 17 edition of the Huntington, W. Va., Advertiser shows:

THIRTY-FIVE PASSENGERS LIE ON TRACKS, FORCE RAILROAD TO FIX COACH

ALTOONA, PA.—Some 35 persons protesting what they called poor conditions on the once famed Spirit of St. Louis laid in front of the train and held it up for an hour and 35 minutes Wednesday night.

The passengers spontaneously got off the train during a short stop at the Altoona station and laid in front of the locomotive.

They told Penn Central Railroad Co. officials they wouldn't move until the railroad repaired their car. They said the car didn't have water, air-conditioning or electricity.

Penn Central officials repaired the car and it continued en route to St. Louis from New York. The railroad says it has been trying to eliminate the run because it is losing money.

## CAPTAIN ROY: LEBANON, N.H., TO PAY TRIBUTE TO OUTSTANDING OFFICER FOR 32 YEARS OF SERVICE

(Mr. CLEVELAND asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. CLEVELAND. Mr. Speaker, I am honored to call to the attention of the House an article on the career of Capt. Raymond C. Roy, Sr., of the Lebanon, N.H., police department.

Captain Roy is retiring after 32 years of service to the community. His fellow citizens are giving a big dinner in tribute to him next Tuesday and the reason is readily apparent from reading the article.

Captain Roy exemplifies all the best qualities needed for an effective local police officer. He understands his community. He understands human nature and, even in the case of the culprits he must bring to justice, he respects it. In turn, the citizens look up to and respect this police officer. He has courage, impartiality, and wisdom in dealing with human beings.

He is a splendid example for his junior officers. I consider Captain Roy one of the outstanding police officers in the country. He is a leading figure in his community. It is no wonder his fellow citizens want to pay this tribute to him. They will miss him mightily after three decades of dedicated public service.

Captain Roy's career is described in the following excellent article by Jeff McLaughlin from the Valley News. The Captain's career is a model and I hope it is studied by police officers from around the country.

I also want to take this means of congratulating him and of wishing him the best of good fortune in the years to come.

The article follows:

A GOOD MAN RETIRING AFTER 32 YEARS: CAPT. RAYMOND ROY

(By Jeff McLaughlin)

LEBANON.—One of the younger members of the Lebanon Police Department remembers the time a weaving, bleary-eyed oldtimer came to headquarters and announced, "I'm drunk."

The officers on duty found it easy to agree with the oldtimer, and offered to put him in a cell to sleep it off. Mustering his dignity, trying hard to speak distinctly, he said, "No, if I'm going to be arrested, I want Captain Roy to arrest me."

Raymond C. Roy Sr. will retire from a lifetime of police work on July 21, and law-abiding citizens and quite a few not-so-do-gooders will miss him. From his first days on the Lebanon Police Force in 1938—as a swing man working as many as 70 hours per week—through his patrols in what has become known as beautiful downtown dug-up Lebanon, Captain Roy has earned respect and made friends easily. Those friends will demonstrate their respect on July 29 at a dinner-dance in his honor at the Lebanon Elks Club. The Lebanon Police Dept. and the Chamber of Commerce are in charge of arrangements.

Thirty-two years, thousands and thousands of hours of work—it's impossible to summarize. For a man like Captain Roy, the best

summary is his own—even if he is a little embarrassed that it's repeated:

"I think I can say I've never made an enemy, even though I've arrested hundreds of people. If you can look back and say you've done something worthwhile with your life, tried to do your job as a policeman and a father, and made a lot of good friends, then you're all right."

Newcomers to Lebanon think of Captain Roy in terms of a smile, a wave of the arm and a hearty good morning. The smile and the good cheer have always been there, but whenever duty required it, Captain Roy performed the less pleasant tasks of a policeman with considerable dispatch:

In the early 1940's Ludlow, Vt. was a rough town. Women and children were afraid to go upstreet after 8 in the evening. The town manager wanted to clean Ludlow up and hired young Raymond Roy to do the job.

"One of the first days I was there, I noticed a big crowd had gathered upstreet. I walked over and found a big lumberjack standing in the middle of the crowd. He was pretty drunk, and he had heard there was a new chief in town. I guess he figured he'd have to try me out."

Young Roy walked up to the lumberjack and told him he'd have to come along. The jack laughed and roared back. "I feel like a crosscut saw; it'll take two men to handle me."

Captain Roy chuckled as he remembered the scene, and with typical modesty described the outcome: "Well, Tex and I rassled around for a while, and then I put the cuffs on him and took him to Woodstock."

"He tried it again a couple of times, and he wound up with the cuffs. He was such a nice guy when he was sober, too."

Another time in Vermont, Roy captured three of the most-wanted men in the state. For the deed, he earned a special commendation from the Attorney General and the Governor, but what you remember about the recollection is Captain Roy describing two of the men running away when he accosted them:

"My gun was drawn, and I could have shot them, but I never wanted to kill a man."

When Raymond Roy left Ludlow to return to his hometown Lebanon, Ludlow had changed dramatically.

A man who has gained a great deal of respect often has done so because he respects his fellow man. Captain Roy is a case in point.

"Often-times I'd be in the station when one of my fellow officers would come through the door hauling a resisting prisoner. A couple of nights later I might have to arrest the same guy, and the officers couldn't understand why he came peacably for me. But it's just common sense; you let a man blow off a little steam and he feels a little better. He knows he's done something wrong, and after he's let off a bit, he'll most likely come with you."

In an age when magazines and papers are filled with learned speculation on young people's lack of respect for law and order it's instructive—as well as refreshing—to talk to Captain Roy:

"Lot of times you find a youngster doing something wrong, and you tell him, 'Keep that up and you'll wind up in court with a record. Now you just go home and think about it.' "

"I don't think it's wrong to say there's a fair number of good citizens in this town who've thanked me over the years for one of my talks to them when they were young."

You can talk to merchants, workers, mothers, fellow police officers . . . anyone at all, and at the mention of Captain Roy's name the response is the same:

"The Captain? He's a good man."

On July 29, those merchants, workers, mothers, fellow officers and a lot of other people will thank a good man for three decades of good work.

## COAL MINE SAFETY

(Mr. HECHLER of West Virginia asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HECHLER of West Virginia. Mr. Speaker, I would like to call to the attention of my colleagues the following excellent article on coal mine safety appearing in the July 19 edition of the Charleston, W. Va., Gazette and written by George Daugherty, prominent Charleston attorney, who has taken an active interest in coal mine safety:

STATE NEEDS MINE SAFETY LEGISLATION—WITH TEETH

(By George Daugherty)

"78–4 how many more".

*The symbol of 40,000 miners in West Virginia in their fight for mine health and safety legislation, the 78 representing the dead comrades at Mannington, the four at Hominy Falls.*

The questions here to be discussed are:

Does immunity from civil law suit promote lack of safety? The answer is a loud and clear yes.

Are the compensation laws of West Virginia adequate to protect the workers? Answer: Not as presently written and interpreted by the Supreme Court of West Virginia.

What is the most effective way of enforcing industrial safety? Answer: To provide the right to sue in a civil court for failure to maintain an adequate safety program.

Over 12 men per month were killed in West Virginia coal mines in 1968. Subtract the 78 killed at Mannington—and still over six men per month were killed.

In the month of April only four months after the Mannington tragedy, 10 men lost their lives in the same industry in West Virginia.

Ironically, the West Virginia Legislature met shortly after the Mannington holocaust. Safety legislation should have been on every public official's mind in view of the above morbid statistics. However, in spite of the fact that tragedy usually moves indifferent men to action, not one bill with teeth in it was passed concerning mine safety.

The coal association lobby in West Virginia deserves an A plus for its excellently organized success in preventing passage of a single bill designed to prevent disasters such as Mannington from occurring again. The lobby served its master well—and they were aided by the indifference of you, me, and every West Virginian who is willing to put up with legislative indifference.

But who is going to speak up for the West Virginia miner, or worker in other industries for that matter, and their families, who must run these fantastic risks to their lives and physical well-being in order to earn a living?

It must be you, me and every West Virginian; because if we continue to be indifferent we will simply continue to leave our fate to the politicians, and you see where that has gotten us in West Virginia so far.

Lest I be correctly called to task for criticizing without offering a constructive alternative let me suggest a constructive solution to industrial safety, with teeth in it—the kind of teeth industry understands. If they don't run a safe shop, they will have to pay for it. Pay, not in fines, which go to some government fund, but in restoration to the individual who they have maimed, or his family, if they killed him. And such indebtedness shall be decided by that same tribunal which decides what you and I must pay if we are negligent—the common law jury.

Thus, a jury in each community will set the safety standards for industry, just as they set the safety standard by which you and I must drive our automobiles. Why should industry get a better deal than you or I? Further, every working man on the job will be an "inspector" because he will be a potential witness to the unsafe working conditions which might kill or maim his fellow worker. Such inspectors will not be subject to the same pressures as federal and state paid inspectors, because their own safety hangs in the balance. And such a program is not unfair to the employer, because running a safe shop is an absolute defense to having to pay a verdict. Thus, an incentive toward safety is an important factor in this proposal.

Pass a bill such as this and every industry in West Virginia will immediately reevaluate its safety program. A few $150,000 verdicts for amputees or $110,000 verdicts for deaths will do more to improve safety programs and conditions in industry in West Virginia than all of the fines and inspectors in every bill now pending before Sen. Jennings Randolph's committee in Washington.

The key to safety is awareness—the way to keep industry aware is to make them pay if they are not, and thus the teeth in the proposal I am making—for if industry isn't safe it must pay—and it must pay by way of restoration to the victim of its indifference, with a jury as the arbiter of the justice of the matter. This is the American way.

Immunity to being sued spawns lack of awareness, or indifference. Industry is now immune from suit.

The West Virginia Workmen's Compensation Act makes every employer immune. Thus employers needn't worry too much about safety. If they worried very much about it how could they have killed 12 men per month in West Virginia last year, in only one industry?

In 1913 an exception to immunity was made in our original Workmen's Compensation Act. Our legislature said if an employer injured or killed an employe through "deliberate intent" a lawsuit could be brought and the jury would decide the damages, giving the employer an offset for compensation benefits paid or payable. You would think such a provision would supply the purposes I am suggesting, but no man has ever been reported, in the official West Virginia Law Reports, to have won a case under the "deliberate intent" provision in its 56-year existence. In fact, our West Virginia Supreme Court has intimated that there must be prolonged premeditation present against a specific employe before recovery is possible. Surely our 1913 legislature did not mean such provision to apply only to murders, but this is essentially what our court has held. Our court did intimate that further clarification probably was a legislative matter, and that is why I propose the following.

The next session of the West Virginia Legislature should pass a bill which would provide that if a jury should find an employer permitted a known and correctable, inherently dangerous condition to exist for a long enough time that an ordinarily prudent employer would have corrected it, they may conclude that such employer deliberated and intended to run the risk of injury or death to his employe rather than correct the condition, and thus may award such damages as they deem fair, just as they would in an automobile or other type accident case.

All you and I can do is write to Gov. Moore, and our delegates and senators. If you agree with these views, take the time

to write because this campaign to see passed into law a significant industrial safety bill, with teeth, must not fall prey to that same indifference which has defeated us for so long in West Virginia.

Such a law would make it cheaper to be safe, as it ought to be, than safer to be cheap, as it is now, on the West Virginia industrial scene.

The lives and health of our fellow citizens is the price we will continue to pay for indifference.

West Virginia should be number one in its laws concerning industrial safety, particularly mine safety. It is difficult to understand how any conscientious industry could oppose this proposition, but the absence of safety legislation of any real significance and the struggle now being waged in Congress would lead one to believe that industry is not really interested in safety, if it costs money. They seem to have forgotten that their most valuable asset is their men, alive and in good health.

## WEST VIRGINIA'S AIRPORT PROBLEMS

(Mr. HECHLER of West Virginia asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HECHLER of West Virginia. Mr. Speaker, Associated Press writer Ron Jackson, a veteran pilot, has written a two-part series of articles on West Virginia's airport problems. I would like to call the attention of my colleagues to these articles since they describe just a small part of the crisis gripping our national air transportation system which will escalate into a catastrophe unless the Congress takes prompt action to enact legislation to finance construction of new airports and modernization of existing airports and airways.

The articles follow:

THERE'S NO MARGIN FOR ERROR BY JET PILOTS AT KANAWHA

(EDITOR'S NOTE.—Associated Press writer Ron Jackson, a licensed jet pilot and a veteran of 4,200 hours of fight time, took a deep look at problems troubling commercial airports and the men who fly today's commercial jet airliners. This report, the first in a two-part series, looks into the problems plaguing the airline industry, Charleston specifically and West Virginia generally.)

(By Ron Jackson)

CHARLESTON.—The pilot of a sleek United Air Lines jet flying into the battered runways of Charleston's Kanawha Airport says "the penalty of a mistake here is horrendous."

"There is absolutely no margin for error when you set up to land here," Capt. Don Ramsey said. "When the conditions are good," he added, however, "the runway is good, the length is enough."

A planned runway extension "will help," Ramsey said, "but it won't solve the problem."

"A regional airport would put them way ahead," the pilot stated.

Ramsey, 43, based at Newark, N.J., was one of several commercial pilots who discussed the difficulties of airport operation during interviews this week.

The pros and cons of regional airports, those serving more than one community, have been voiced frequently.

Individual communities want their own facilities, but airlines contend regional airports would be less expensive in that one installation would serve the needs of several population centers.

The expense of maintaining an adequate aircraft facility is one of the major problems facing residents of the Charleston area.

The weathered, bounce-battered main runway at Kanawha Airport has deteriorated since the advent of heavy, fast-flying jet traffic. The runways are cracking under the strain and the result could be both expensive and dangerous.

The crumbling of the runway surface is occurring where the big jets make contact and again in the area where they start applying brakes to slow down.

It has developed into such a problem that airport manager Calvin Wilson says it will cost $900,000 to repair the runways. This money is in addition to the $2.5 million planned, 700-foot extension to the end of the runway.

Ramsey said it's not at crisis proportions right now, "but it will develop if it isn't fixed."

The runway at Kanawha Airport is asphalt, without a concrete base for added support. The heat from the sun causes the asphalt to become soft and cooling makes it brittle. The weight of airplanes causes it to break.

Large chunks of the surface have been gouged out.

The heat and the huge jets also have caused grooves cut in the runway to bend and become less effective in reducing the "hydroplane" phenomenon that plagues aircraft on wet runways and automobiles on superhighways.

Wilson said repairs slated to start before Sept. 1, call for pouring 18 inches of concrete, about 50 feet wide down the entire length of the 5,600-foot strip.

American Airlines Capt. Woody Nelson says the Boeing 727 apparently is "too heavy for the construction of the runway," although it was "designed, and is well equipped, for short runways."

Nelson's first officer, Jim Wheeler, said the airplane is designed to "haul 160,000 pounds. This weight goes down to 126,000 when the temperature goes up to 80 degrees," a condition in which the aircraft's engines generate less than full power.

Nelson called Kanawha a "safe operation . . . we just can't land at night or if its wet."

Ramsey agrees the field is basically safe but, "I don't overlook a straw of usable goods (winds, weather, condition of the runway) when coming in here."

The planned 700-foot extension "will help," Ramsey said, "but it won't solve the problem. A regional airport would put them way ahead."

The regionalization concept was approved by many of the commercial pilots who come into Kanawha Airport.

"There's no doubt about it," Nelson said. "An airport that serves more people would mean more freight and more money and might generate longer hauls."

ARE MOUNTAIN 'PORTS PUTTING STATE BEHIND?

(By Ron Jackson)

CHARLESTON.—As the superjets continue to compress travel around this earth, will West Virginia, with its mountaintop airports, miss the boat?

Many state officials and influential citizens, especially those proponents of regional airports, think so, but it apparently isn't worrying the airlines themselves.

Freight and passenger records continue to be set at Charleston, Huntington and Parkersburg and the aircraft makers are assembling smaller jet transports for the state's limited runways.

To spotlight the states concern the legislature recently appropriated more money for local airports than it had in the past 20 years.

At the state government level, Gov. Arch Moore Jr. favors the regional airport concept and said he would support building such a facility "anywhere in the state where the population could support it."

He added, however, that favoring a concept and realizing construction are two different matters.

"We just don't have that kind of money," he said and "the state is not in a position to appropriate that kind of revenue."

In the area of building airports, Gov. Moore said that he was able to get $500,000 from the legislature to build at least 20 airports, equipped with lighted 3,500-foot, paved runways.

The $500,000 is more than the legislature has allocated for new airports in 20 years but Moore said it wouldn't pay for the planning of a regional airport, let alone its construction.

The cost of a proposed regional airport near the Putnam County town of Hurricane, midway between Huntington and Charleston was estimated at $20 million. A bond issue for its construction was defeated last fall by Kanawha County after passing in Cabell and Putnam.

George Jackson, regional sales and service manager for United Air Lines, said passenger boardings at Kanawha Airport are running about five percent below the rate last year. He said it reflects a slowdown in area business and a loss of some major industries in the Kanawha Valley.

"Seventy per cent of the people who get on planes at Kanawha are transients . . . who have come to Charleston to do business and leave again," Jackson said. He said that there just aren't any people who fly into the area and stay.

Jackson said that, industry-wide, boardings are increasing at an average of 18 per cent each year.

However, the Federal Aviation Administration said it recorded 221,416 passenger boardings in 1968 at Kanawha Airport, up from 213,736 for the previous year. Huntington recorded 77,905 boardings in 1968, an increase from 76,531 for 1967.

Other statistics, which have been attracting more attention, reveal the amount of air freight shipped from the two airports. Kanawha Airport shipped 760.72 tons of freight in 1968, up 123 tons from 1967. Huntington's Tri-State Airport shipped 170 tons in 1968 compared to just over 140 tons in 1967.

Parkersburg sent over 425 tons of freight by air in 1967 and better than 446 tons in 1968.

AIR FREIGHT UP

FAA coordinator Goodwin Glassman said many areas of the country are finding that air freight traffic is showing a more rapid growth than is air passenger traffic. He said many industries are trying to locate near airports. Aircraft manufacturers recognize this trend, he added, and are designing planes, such as Boeings's 747, primarily for freight hauling.

Boeing also is involved in making a convertible 727, the same type aircraft that serves both Kanawha and Tri-State. It can haul passengers when necessary and freight if needed simply by removing its seats.

Regardless of the national forecasts for aircraft and airport needs, however as one airline put it, "This area (West Virginia) won't have to worry about a 747 coming in here."

## NATIONAL AIR TRANSPORTATION CRISIS

(Mr. HECHLER of West Virginia asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HECHLER of West Virginia. Mr. Speaker, one of the most important

pieces of legislation pending before us today is H.R. 12374 to develop airports and airways. While we seem to have little difficulty in getting men to the moon, the hard fact remains that thousands of people every day experience difficulty in getting off the ground because of our obsolescent airports and airways systems. I fully support H.R. 12374 sponsored by the esteemed dean of the West Virginia congressional delegation, and wish to insert into the RECORD my testimony on this legislation before the House Committee on Interstate and Foreign Commerce, as follows:

STATEMENT

(By Representative KEN HECHLER, July 22, 1969)

It is significant that when Houston signalled Astronaut Buzz Aldrin yesterday afternoon that he was cleared for take-off, Aldrin promptly asked from the surface of the moon whether he was Number 1 on the runway. The energy, effort and technology used in providing a round-trip to the moon can and must be applied to solve the serious air transportation crisis here on earth.

The runways on earth are clogged to capacity. Gate positions are difficult to find. Terminals, parking areas, and access roads are jammed. Without entering into the buzzsaw argument about air traffic controllers, the facts are that the equipment now in use at many airports was designed for the propeller age of aviation, it was designed up to 20 years ago, and by 1975 this equipment will be critically obsolescent, over 15 years old, and totally inadequate for the demands of modern aviation.

Ten years ago, 50 million people a year travelled by air. Last year, it was 150 million. In 1979, it will be over triple that amount—470 million. Within ten years, an average 1,200,000 people daily will board aircraft operated by U.S. airlines. We face the possibility before long of having more than two million people airborne over the United States on any one busy day. In ten years, our 114,000 private aircraft will virtually double.

Yesterday Secretary of Transportation Volpe and FAA Administrator John H. Shaffer testified before this committee in support of this legislation. Secretary Volpe labelled airport and airway development "one of our most urgent transportation problems." Mr. Shaffer stated: "Unless action is taken to institute a major program of improvement and expansion, the capability of the airport and airways system to accommodate the demands will continue to deteriorate and potential beneficial growth will be curtailed."

Mr. Chairman, I submit that that kind of testimony is far too weak to describe the air transportation crisis already upon us. Make no mistake about it. We *are* in an airport-airways crisis today. And it is fast escalating into a catastrophe due to the inaction of Congress.

Congress has delayed and temporized while the airport-airways crisis has deepened. Federal aid to airport funds has been diminished to a trickle just when the urgent need was increasing. From 1966, when $161.7 million in Federal aid to airport funds was requested, the amount of requests for Federal aid to airports has skyrocketed to $448.5 million for the fiscal year 1970—nearly three times the amount four years ago.

Yet Congress which appropriated $75 million for Federal aid to airport funds for the fiscal year 1966 appropriated only a paltry $30 million for the fiscal year 1970. I have introduced amendments on the floor to increase these Federal aid to airport funds by as little as $10 million, and have been beaten back on every occasion. Congress must measure up to its responsibilities, and pass this authorizing bill, which will put the burden where it belongs—on the airport users rather than the general taxpayers.

Mr. Chairman, I realize that the House Ways and Means Committee will be dealing with the tax portion of this bill, but I would like to throw in my two cents about fuel taxes. There is a 9-cent-a-gallon tax on general aviation fuel, and a 8% ticket tax. Presumably the increase in the ticket tax is in lieu of a fuel tax on commercial airlines. I suggest it would be fairer to put a tax on fuel used by commercial airlines instead of a portion of the ticket tax. Maybe it was adjusted in that fashion to gain support for the bill, and that is only a detail.

The FAA has testified we will need 900 new airports and improvements to some 2,750 existing airports. I am very pleased that Section 203 of the Staggers Bill provides grants for airport system planning to areawide planning agencies. Travellers from all over the nation use airports, and we should develop a national system more in keeping with the national airport plan. There is no excuse for one selfish or provincial interest to dictate to the nation an airport which may be unsafe or poorly located from the standpoint of passengers and taxpayers from fifty states which use it. We lost out in West Virginia in 1967 on airport which the Federal Aviation Administration stated on May 15, 1967 would best meet the needs of the area. At that time, the FAA stated: "The Federal Aviation Administration believes that the long-range airport requirements of the people of Southern West Virginia are best met, and the public interest best served, by the least-cost development of a midway regional airport. Moreover, development of a single regional facility affords the opportunity for spreading the development cost over the widest possible user base and holds the greater promise of better scheduled transportation service to the benefit of the entire area of southern West Virginia.

The Federal Aviation Administration believes this recommendation warrants consideration for grant-in-aid assistance, within the limits of available Federal resources. The FAA, therefore, urged immediate consideration and unified support by all state and involved local officials to build a regional airport at the Midway site." West Virginia and the nation lost out on this superior airport which I am confident would have been ours if this legislation had been passed two years ago: (1) it was argued that insufficient Federal funds were available to build this superior airport; and (2) the planning funds contained in this bill would have conclusively documented the statements included in the FAA decision of May 15, 1967.

The West Virginia example can be repeated many times throughout fifty states; all of which face serious and deepening crises in air transportation. According to the FAA, in the next five years we will need about $2 billion to build and develop airports, and more than $5 billion over the period 1970–1979. In the next five years, we will need about $1.2 billion in new facilities and equipment if the airways system is to handle the anticipated additional traffic. Over the full decade 1970–1979, well over $2 billion will be needed. Required research to develop sophisticated new electronics equipment will add a need for several hundred million more dollars.

Despite the growing congestion and the critical needs, the FAA has not overlooked its main mission—safety in aviation. But here also, the life of every human being who boards a plane will be increasingly endangered unless we can gear up our research and development work and tie it more closely with what is being done in our aerospace effort. The National Aeronautics and Space Administration is spending over $100 million annually on advanced research in aeronautics. Just because the NASA authorization is handled by one committee and the FAA authorization by another is no excuse for Congress to fail to integrate these highly significant research efforts to improve aircraft, to improve navigational aids, to prevent mid-air collisions, to examine clear air turbulence, and the aeromedial aspects of aviation safety. The exciting new technological breakthrough in solid state electronics and micro-miniaturization can be applied in modernizing equipment to man our airways more safely. With the advent of the jumbo jets and other high-speed performance aircraft, we must increase our research and development efforts to achieve greater air safety. We can no longer tolerate air carrier accidents attributable to faulty equipment or flaws in the air traffic control system.

The pending legislation would provide the resources necessary to protect the safety of passengers in a vastly enlarged air transportation system. The bill proposes that the program for construction of airways facilities and equipment be increased to about $250 million annually for the next ten years. It is also proposed that Federal aid to airport development amount to $180 million in fiscal 1970 and $220 million in 1971, totaling $2.5 billion for airport aid over a ten-year period.

The user taxes recommended are as follows: increase existing ticket tax from 5% to 8%; impose a new $3 head tax on passengers travelling to points outside the contiguous states; impose a new 5% tax on air freight waybills; and levy a tax of 9 cents a gallon on all fuels used by business, private and utility aircraft. These taxes would produce revenues of $569 million in the first full year, an increase of $274 million over the present taxes. During the next ten years, the yield from the new taxes would approximate $9 billion, or nearly double the amount that we would have realized with presently existing taxes. To do the job adequately, we need these revenues.

I strongly support the pending legislation, which is similar to bills which I introduced at the last session of Congress (H.R. 19203) and also on January 20, 1969 (H.R. 4119). Congress must act and act now or bear the responsibility for triggering the catastrophe which will inevitably follow.

## SUPPORT FOR ABM

(Mr. MICHEL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MICHEL. Mr. Speaker, I have the tabulated results of a poll taken in my 18th Congressional District of Illinois. They indicate an overwhelming measure of support for President Nixon's ABM program. They also show that people are not prepared to pay for a guaranteed annual wage financed by Uncle Sam, that they are against lowering the voting age to 18, and that they want a Federal corporation to run their mail service.

It also shows that the people will support a "pay-as-you-go" social security system maintained with increases in tax collections to pay for increases in benefits.

The Vietnam war troop withdrawal is desired by the majority of 18th District people, regardless of what developments occur in negotiations with Hanoi. President Nixon's draft lottery system has the approval of a majority of my constituents, according to the poll results.

Dissatisfaction with campus rioting runs high, and a huge majority wants action taken to see that the Federal Government does not provide financial

aid for those who take part in disrupting our colleges and universities.

A large majority desires a direct vote for the Presidency to take the place of the outmoded electoral college system. A significant majority believes that Congress should pass legislation outlawing strikes by public employees.

The President's revenue sharing plan with the States has the approval of the bulk of people who answered my questionnaire.

Mr. Speaker, more than 17,000 people completed this 12-question poll, giving me their views on issues before Congress and the Nation. They have evidenced a desire for action on our part to change some of the present system. They have indicated that they want a strong defense, peace, a new Selective Service System and financial responsibility on the part of their Government.

I am pleased with the large number of responses received. It indicates that people are knowledgeable about what is going on in Government, do not like what they see in some areas of our national life, and will insist that Congress cooperate with the President in his efforts to find meaningful solutions to these nagging problems.

The questionnaire results are as follows:

*Constituents Responses—All 17,168 Respondents*

[Responses in percent]

1. Do you think the United States needs an anti-missile defense system, ABM?

| | | |
|---|---|---|
| Yes | (10,737) | 62.6 |
| No | (5,090) | 29.7 |
| No response | (1,322) | 7.7 |

2. Do you think in the near future the United States should begin to withdraw some of our forces from Vietnam, regardless of the outcome of the Paris peace conference?

| | | |
|---|---|---|
| Yes | (9,794) | 57.2 |
| No | (6,338) | 37.0 |
| No response | (1,000) | 5.8 |

3. Do you favor a lottery system with no exceptions for drafting of military personnel?

| | | |
|---|---|---|
| Yes | (9,998) | 58.4 |
| No | (5,798) | 33.9 |
| No response | (1,325) | 7.7 |

4. Do you favor legislation which would return to the States and local governments for use as they see fit, a percentage of the money now collected in Federal income taxes?

| | | |
|---|---|---|
| Yes | (12,178) | 71.1 |
| No | (3,608) | 21.1 |
| No response | (1,344) | 7.8 |

5. Do you believe the Federal Government should guarantee a minimum annual income to heads of families, whether or not they are working?

| | | |
|---|---|---|
| Yes | (1,176) | 6.9 |
| No | (15,291) | 89.3 |
| No response | (656) | 3.8 |

6. Should Congress insist that any Social Security increases be tied to tax increases to keep programs on a pay-as-we-go basis?

| | | |
|---|---|---|
| Yes | (12,177) | 71.1 |
| No | (3,804) | 22.2 |
| No response | (1,157) | 6.8 |

7. Should Congress deny Federal grants or scholarships to university students charged by their school officials with disrupting normal campus activities?

| | | |
|---|---|---|
| Yes | (15,143) | 88.6 |
| No | (1,353) | 7.9 |
| No response | (595) | 3.5 |

8. Should the Federal Government enact laws to prevent strikes by public employees such as policemen, firemen, schoolteachers, garbage collectors, etc.?

| | | |
|---|---|---|
| Yes | (9,905) | 57.8 |
| No | (6,333) | 37.0 |
| No response | (884) | 5.2 |

9. Do you favor lowering the voting age to 18?

| | | |
|---|---|---|
| Yes | (5,580) | 32.5 |
| No | (10,983) | 64.0 |
| No response | (587) | 3.4 |

10. Do you favor abolishing the electoral college and electing the President by direct popular vote?

| | | |
|---|---|---|
| Yes | (13,947) | 81.5 |
| No | (2,443) | 14.3 |
| No response | (1,732) | 4.3 |

11. Do you support the proposal to convert the Post Office into a Government-owned corporation to operate as a self-supporting operation?

| | | |
|---|---|---|
| Yes | (13,048) | 76.2 |
| No | (2,959) | 17.3 |
| No response | (1,126) | 6.6 |

12. Red China—do you favor U.S. support for admission of Peking to the United Nations?

| | | |
|---|---|---|
| Yes | (4,970) | 29.0 |
| No | (11,043) | 64.4 |
| No response | (1,123) | 6.6 |

## THE GOLDEN SUMMER

(Mr. POAGE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. POAGE. Mr. Speaker, the Journal of Commerce, in its July 17, 1969, edition, carried a most interesting editorial entitled "The Golden Summer." For the benefit of those Members who may not have read this comment, it is included at the end of these remarks.

The editorial points out certain economic parallels between conditions prevailing in the summer of 1929 and now. While the conditions are not all precisely alike, they are similar enough to give us pause for thought and consideration. And, my purpose in bringing this editorial to the attention of the Members leads me also to comment briefly on the legislative history of farm program legislation since 1920 and to call attention to the fact that the Committee on Agriculture on July 15 began hearings on the continuation of the farm program at a time when many urge us to terminate, or phase out, such programs.

Soon after World War I, American agriculture was in a state of chaos. Farmers, who had suffered under rigid price controls during the war, were caught in a cost-price squeeze. Although food costs were high, the prices that the farmer received for his production were disastrously low. Farm leaders and legislators seeking remedies were joined by astute business leaders who realized that farmers were their biggest customers. When Edgar Wallace, representing the American Federation of Labor, testified before the Congress on efforts to stabilize farm prices in 1922, he said:

> When I appeared here about a year ago or a little more than a year ago, there were some 5,000,000 workingmen walking the streets. We considered then that the reason for the depression in the industries was the fact that the farmers were not getting prices for their products and consequently were unable to buy.

George N. Peek of Moline, Ill., a businessman who had been a member of the War Industries Board, and his business associate, Gen. Hugh S. Johnson, became the main promoters of an agricultural stabilization proposal that later became the basis for legislation sponsored by Senator Charles L. McNary, of Oregon, chairman of the Senate Committee on Agriculture and Forestry, and Representative Gilbert N. Haugen, of Iowa, the chairman of the House Committee on Agriculture. The legislative committee had the assistance of Charles J. Brand, a consulting specialist in marketing in the Department of Agriculture, in developing the initial McNary-Haugen bill. Similar legislation to stabilize farm prices was introduced by Senator George Norris, of Nebraska, and Representative James H. Sinclair, of North Dakota.

It is interesting to read the House report—No. 631, 68th Congress, first session; May 2, 1924—on the initial McNary-Haugen bill. One statement in the report has a familiar ring:

> There will be a further diminution of farm purchasing power, hence a further lessening in the demand for manufactured goods, a lessening need for labor in urban industries, with an increasing supply of labor, due to the movement from the farms. This will result in increased unemployment, wage reductions, lessened factory production because of lessened demand, and finally an urban depression similar to the farm depression. The majority of far-seeing men in the commercial, financial and industrial world recognize the interdependence between prosperity in industry and prosperity in agriculture. The labor organizations have indicated a similar recognition by appearing before the committee in favor of the passage of this farm-relief measure.

But the clear warning signs were not heeded. True, some stop-gap credit measures were taken but it was not until 1927 that Congress approved a McNary-Haugen bill aimed at economic solutions to the firm situation. The bill was vetoed by President Calvin Coolidge. The following year Congress again passed the bill and, again, President Coolidge vetoed it.

More perceptive, Herbert Hoover ran on a platform promising farm relief and he signed into law the Agricultural Marketing Act of 1929. The new authority, based in part on the McNary-Haugen and the Norris-Sinclair proposals, enabled President Hoover to establish the Federal Farm Board, appointing as Chairman a businessman, Alexander Legge, president of the International Harvester Co.

But the damage already had been done. Farm fed and farm lead, the economy of the Nation exploded while stockbrokers in Wall Street jumped out windows. Men tried to sell apples on the street for suddenly all the warnings of disaster contained in the House report of 1924 had come true.

One of the first efforts under the new administration of Franklin D. Roosevelt

was enactment of the Agricultural Adjustment Act of 1933. But, when the courts found this law unconstitutional, farm economy again threatened to push the entire Nation into another depression and the Congress responded, enacting the Soil Conservation and Domestic Allotment Act and the Agricultural Adjustment Act of 1938.

Since then, learning by experience and building on the principles of assistance to agriculture in stabilizng prices and maintaining a balance of supply and demand, the Congress, in 1965, approved, and the President signed into law the Food and Agriculture Act. The authority did improve farm net income and it did result in reducing burdensome Government-held surpluses. Consequently, in the last Congress I sponsored legislation to continue the program. But, Congress, in its wisdom, resolved to permit the new administration taking office in 1969 its say on farm policy, and the law was extended only for 1 year and will expire on December 31, 1970.

Thus, we are faced again with legislating on agriculture. As the basis for such studies I have introduced a bill to make the Food and Agriculture Act of 1965 and the Food Stamp Act both permanent programs. The Committee on Agriculture began hearings on this matter July 15, and we shall continue during the summer.

As we conduct these hearings, we can recall another statement in the House Report of 1924:

> The free-trade remedy, if undertaken at this point would inevitably accentuate the trouble and increase the panic, making it general instead of being confined to agriculture, as is largely the case at present. There are three great essentials to create and maintain general farm prosperity. First, an adjustment between the prices of farm commodities and the prices of nonagricultural commodities that will give the farmer a decent and reasonable and equitable purchasing power; second, a price level equal to the general range of prices at which the major part of farm indebtedness has been incurred; third, the maintenance of a reasonable stability in the general price level preferably with a gentle rise such as occurred during the basing period from which ratio prices are to rest, extending for ten years from 1905 to 1914."

And, with such prefatory remarks, I commend to your study the Journal of Commerce editorial, "The Golden Summer":

THE GOLDEN SUMMER

Few attempting total recall now are entirely successful in remembering just how it was 40 years ago when the nation was getting into what would be the last golden summer it would experience in many a year.

Prosperity was on every hand, but six consecutive years of economic expansion had made some conservative leaders cautious. The Federal Reserve Bank of New York was restive. Earlier in the year it had prevailed on the Board in Washington to caution banks against money for speculative purposes.

But this didn't satisfy a number of people. It didn't satisfy Paul M. Warburg, or Russell Leffingwell or even one of the Board's own members, Adolph Miller. These men wanted the Fed to put on the brakes slightly by raising the rediscount rate to 6 per cent. They feared things might be getting out of hand.

The argument on the other side was not as reckless or ill-informed as some may think today when they look back on that summer in retrospect. Business inventories were mounting but consumer spending was beginning to slacken. New building contracts and housing starts were off sharply. Industrial production had been doing well up to June and employment continued to climb in July. Thereafter, both seemed to slack off a bit. And this, combined with significant declines in commodity prices convinced some of the economic experts that the time might prove unpropitious for a general braking action.

Those who favored an expansionist policy warned in subdued tones that such action at a time when parts of the economy were showing signs of hesitancy might push the whole nation into a recession.

A number of businessmen and college economics professors were then under the influence of a book published the previous year by William Trufant Foster and Wadill Catchings, the latter destined to become a partner in Goldman Sachs. Entitled "The Road to Plenty," it developed the rough thesis that an economy could keep expanding indefinitely so long as its consumers were supplied with enough money income. The authors maintained, however, that a high rate of production didn't automatically mean a corresponding high rate of consumer buying. Oversaving, time lags and other factors could create buying lags and excess capacity. The government, in such circumstances, should move in and put "more money into consumers' hands" until the situation was corrected.

No one could have known in July, 1929, that President Roosevelt would be putting part of these teachings into practice on a massive scale some years thereafter and today—40 years later—it is uncertain just to what extent the "expansionists" did influence the course of events and non-events that summer.

The Federal Reserve Board waited until August before deciding to take the risk of restraining the economy by raising the discount rate. But by then call money rates were so high they were sucking in funds from all over the country.

The prevailing atmosphere was one of rosy optimism—much of it generated by the continuous, spectacular run-up of securities prices. Congress had been taking little interest in the general state of the economy. Most of those months it was discussing tariffs and a new farm program, although it did begin discussions late in the summer of a new conservation measure proposed by President Hoover.

A few warning voices were raised. The markets experienced a few jolts in September. But overall there was little to prepare the nation for the black tidings that would begin pouring out of Wall St. on Oct. 23.

A good many bitter accusations accompanied the collapse—some of them certainly misplaced. Was the Fed wrong in raising the rediscount rate? Things would have been worse if it hadn't. Was Mr. Hoover wrong in expressing confidence in the economy? One can imagine what might have happened if he had failed to do so. Were the expansionists right after all? Perhaps, but the patient had to endure prolonged and cataclysmic convulsions before getting a probationary discharge.

These questions should not be considered of solely historical significance. Those who are trying to read the economic indicators today—who are not sure whether the government should apply more brakes, or what kind; or when, who are not sure whether it is better to risk more inflation than a recession—are confronting dilemmas that their counterparts of four decades ago would find vaguely familiar.

To be sure, the signs today are different. And some basic problems are different. Then the inflation was in securities. Today it is in commodity prices. The levers that should have been pulled in 1929 or earlier are not those that should be pulled today. In fact, it may be another 40 years before everyone will agree (alas, in retrospect) on which they should have been.

What does strike us as being particularly interesting is the thought that despite all the learned economic tomes that have been written, the statistics that have been collected, the agencies that have been created and the safeguards built into the economic system, the authorities don't seem much more firmly in command of the situation today than they did 40 years ago. So perhaps things haven't changed all that much since the golden summer of 1929.

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## ELDERLY TRANSIT FARE REDUCTION ACT—OUR SENIOR CITIZENS MUST BE HELPED—THEY CANNOT BE OVERLOOKED ANY LONGER

(Mr. PODELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PODELL. Mr. Speaker, the squeeze on the lives of millions of older Americans is constantly growing worse. Their incomes are almost always severely limited. Drug prices are at despairingly astronomical heights for the vast majority of them. Inflation and taxation tear at them from almost every side, as efforts to gain tax relief for them on earned income flutter helplessly by the wayside.

So many efforts to aid our elderly have been warped to the profit of others more than that of intended recipients. Such indications have surfaced in regard to medicare and medicaid recently. All in all, the picture is a sad one.

On the other hand, some bright spots have appeared. Individual jurisdictions have taken it upon themselves to extend considerations to the elderly which would alleviate their situations. In New York City, the elderly may ride for half fare on mass transit during nonrush hours, weekends, and holidays. This is a minimal benefit, which gives these citizens an incentive to utilize transit, keeping the scope of their activities wide. There is no reason at all why such a benefit cannot be made available to all senior citizens throughout the Nation.

We may do this through amendment of the Urban Mass Transportation Act of 1965. Priority in allocation of funds under the act could be made to those cities and other public agencies which will permit persons at least 65 years of age to use such mass transit facilities at specially reduced fares. This is the thrust of the measure I am introducing.

Under the 1965 act, local public bodies and various other public agencies that own or operate urban transit systems may apply to the Secretary of Transportation for financial aid. This measure amends the act to give priority to jurisdictions which offer at least a 75 percent fare reduction to those over 65. This reduction must occur on week days during nonrush hours, and all day Saturday, Sunday and holidays.

This is the only manner in which our Federal Government may exercise any authority in this area. The measure also amends the Interstate Commerce Act to authorize the Interstate Commerce

Commission to allow privately owned and operated carriers to reduce their rates for those aged 65 or over. This would affect trains, buses and water carriers.

Any increase or reduction in fares for interstate carriers must be approved by the ICC. This bill would give the ICC authority to approve deductions in this area.

In no way is this a punitive measure aimed at coercing urban mass transit jurisdictions to give the elderly an unfair benefit. We must upgrade the quality of American life for all older citizens. We simply have not addressed ourselves to the problem.

It should be possible to make available to these citizens an entire range of life-enhancing benefits. Other societies have done so. Why can we not? A list of possible benefits follows:

1. Reduce rates on commercial airlines for the elderly.
2. Support gerontology centers.
3. Allow deduction of all medical expenses incurred by them.
4. Allow retirement credit for service in Federal-State cooperative programs.
5. Make available outpatient drug coverage under Medicare.
6. Increase monthly benefits and cost of living raises.
7. Allow Federal employees to elect old age, survivors and disability coverage.
8. Increase the older person's personal income tax exemption from $600 to $1,200.
9. Provide an additional $5,000 exemption from income tax received as annuities, pensions or other retirement benefits.

I have introduced each of these measures in the Congress. There is broad popular support for every one of them. Further, the need for each of these benefits is positively established. None of them would penalize any sector of the economy.

Mr. Speaker, only in America do we ignore the basic needs of too many older Americans. They are too often patted on the back, given an absolute minimum and then ignored by society. It is a sad commentary on the quality of life in our society that we must beg for such gains now, after other nations have given all or most of them to their older citizens.

## Mr. JOE HATCHER, OF THE NASHVILLE TENNESSEAN

(Mr. FULTON of Tennessee asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FULTON of Tennessee. Mr. Speaker, for over 40 years, Mr. Hatcher, of the Nashville Tennessean, has dealt with the political scene in both our State and national affairs.

As the dean of Tennessee political columnists, Mr. Hatcher has become a tradition in our State, and a byword on all matters relating to the political activities of candidates of all parties. He has reported with insight and authority, and his store of knowledge on political affairs within Tennessee are unsurpassed.

Recently Mr. Hatcher was honored at a luncheon here on Capitol Hill, attended by the entire Tennessee congressional delegation; Representative CARL ALBERT, of Oklahoma, our House majority leader; and Speaker of the House, Representative, JOHN MCCORMACK, of Massachusetts. That luncheon was covered by the Nashville Tennessean's Washington correspondent, Mr. Edmund Willingham, and I include Mr. Willingham's article on that occasion in the RECORD:

WASHINGTON IN SALUTE TO HATCHER

(By Edmund Willingham)

WASHINGTON.—National leaders, Tennessee lawmakers and fellow newsmen turned out yesterday to pay tribute to Joe Hatcher, dean of Tennessee's political columnists.

Among the first to praise Hatcher's work at the Nashville Tennessean over a 48-year period was Bascom Timmons, the dean of Washington's political columnists.

Timmons, who covered Woodrow Wilson's nomination for President in Baltimore in 1912 and who has been covering the nation's capital ever since, said he had seen thousands of newspapermen float through this city, and added:

"Joe Hatcher is the peer of any newspaperman I've ever known. Go back and write some more columns, Joe. I need to keep informed."

The tributes came at a luncheon in the Capitol hosted by Rep. Joe Evins. Others present included the entire Tennessee delegation, newsmen who represent Tennessee papers in the capital, Rep. Carl Albert, D-Okla., House majority leader, Speaker John McCormack, D-Mass., and John Seigenthaler, editor of the Tennessean.

McCormack began his tribute by recalling that, as a young congressman, he had visited Silliman Evans Sr., the late publisher of the Tennessean, who was then serving as assistant postmaster general. McCormack said he was seeking four or five favors and that Evans graciously agreed to help him on each one.

McCormack thanked Evans, and then Evans thanked McCormack.

"But why are you thanking me?" McCormack inquired.

"For leaving me my desk," Evans said with a smile.

McCormack told Hatcher that the newsman's profession was an important one as it molded public opinion, and could do so on a sound or an emotional basis. "We of Massachusetts know of your profound mind and your great contribution," the speaker said.

Evins said Albert Einstein was asked why man could develop nuclear energy, but not solve his political problems. He said Einstein replied that politics was vastly more complicated than science.

"Joe is an expert in this complicated field," Evins said.

Gov. Buford Ellington wired his congratulations to Hatcher at the lucheon, saying:

"It is a great pleasure for me to join your many friends in Tennessee in offering congratulations on this occasion in your honor. Your 40-plus years as a political reporter and columnist are to be commended, and we are all proud of you and your distinguished career.

"May this occasion be an enjoyable and memorable one for all of you, and you have my best wishes in the years ahead."

Evins presented Hatcher with two gifts—a plaque on which a crystal ball was mounted, which Evins said Hatcher could use in the state's Senate race next year, and a pen about four times the normal size, which Evins said represented the power of Hatcher's pen.

Seigenthaler recalled some of the lighter moments of Hatcher's years on the paper, also noting that he had influenced the lives of many young newspapermen, including his own.

Rep. Richard Fulton presented Hatcher with a parchment certificate making him an honorary page of the House of Representatives. Fulton said Hatcher was not eligible for a poverty grant, or foreign aid, but that he was glad to honor him in this way.

Bill Keel, a former reporter for the Nashville Tennessean now serving as congressman Evins' administrative assistant, said he had the honor of being the only reporter to have been desk mate to Hatcher, Seigenthaler, and Amon Evans, publisher of the Tennessean. He said Hatcher was an important part of the "Tennessean tradition," which held the loyalty of the paper's alumni, now spread around the country.

## DIRECT ELECTION OF THE PRESIDENT

(Mr. LOWENSTEIN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. LOWENSTEIN. Mr. Speaker, I rise today to urge that quick and positive action be taken to reform the U.S. Constitution. I fear that we are in danger of losing the sense of urgency for constitutional reform that we felt only months ago. But if we act forthrightly, we can avert a possible grave constitutional crisis while at the same time forging a governmental system that is more responsive to and representative of the American people.

One of the most pressing needs is for the inclusion of our younger citizens in the political process. I favor an amendment to the Constitution which permits 18-year-olds to vote. I will present further statements on this issue in coming days.

More immediately, we must address ourselves to the essential question of electoral reform. Before the sense of urgency that was recently with us has evaporated, we must eliminate the outmoded electoral college and substitute instead the more democratic system of direct election. We are all indebted to Senator BAYH for his fine efforts in illustrating the critical need for electoral reform. We should listen carefully when the Senator impresses upon us the need for speedy reform.

I favor the direct election of the President.

We elect all our Governors, mayors, legislatures, and town councils, and most of our homecoming queens, auditors, trial judges, "best athletes," and school board members—sometimes to gain experience in using the democratic process, sometimes to prove we do, in fact, believe in and use it. We elect all these people without benefit of intermediaries. I cannot believe there is any basis for continuing to deny ourselves the opportunity to do as much in the one election that counts about as much as all the rest put together.

As you know, the electoral college was devised specifically to prevent the people from voting directly for President, on the theory that they were not qualified to do so. The electors were to be better qualified than the general public, wiser men, men who would shun popular passions and prejudices and who, by reasoning together, would pick a President while sparing the Nation the consequences of

undiluted campaigning and direct participation.

Does anyone now contend that the people are not qualified to elect their own President? That electors are better qualified? That they are wiser men who "reason together," or that if they were and did so it would be an acceptable way to choose a President? Or that the elector system spares the Nation the consequences of undiluted campaigning and direct participation? Or that the Nation wants to be—or should be—so spared?

Simply to state these questions is to establish that the theory that produced the electoral college is not valid in contemporary America, that in fact the application of that theory is impossible.

Occasionally an elector, remembering or hearing of the theory behind the creation of his job—perhaps wondering if he would earn his keep if he did not revive at least the spirit of the theory that produced the job—strays from the implementation of the wishes of the general public, tries as it were, to spare the general public the undiluted consequences of their participation in the general campaign. With what shock and rage we greet the behavior of sc rash a fellow. What, we demand, gives him the authority to act as if he knew better what was good for the people than they know themselves?

But if indeed nothing so equips the elector, if to act thus independently of the people who elected him is to be "unfaithful" to his charge, what excuse then remains for his existence? What purpose if not mischief can be served by his existence?

In short, the electoral college remains as a vestigial hangover of an abandoned theory, a kind of residual relic of a time of limited trust in the capacity of the people to govern themselves at a time of narrowly limited franchise and narrowly delineated freedom.

So new theories have had to be concocted to justify the continuation of the electoral college, theories which seek to cloak their supporters in the rhetoric of democracy while limiting the application of democratic process at the most critical point and at its most critical time when people are most in need of assurance that they can in fact effect the policies of their Government and select the persons who are to run it. Thus, we march toward one-man, one-vote for every office except the one where it would have greatest significance, and try to bury the contradiction in high-flown phrases about lesser lingering inequities in the system. Some concern is expressed about the possibility that a third- or fourth-party candidate who had received a relatively small percentage of the popular vote might be able, through manipulation of the electoral college, to create a substantial constitutional crisis by delaying a decision as to who the new President would be. There is concern lest the selection of the President be reduced in this fashion to the temptations and seamy bargainings invited by electoral deadlock. And these concerns are surely justified.

But just as surely, the graver potential crisis is the one that would result from an election that produced a popular lead for one candidate and an electoral majority for another.

Nor, as we know, is this a far-fetched or vaguely hypothetical possibility, for we have come gymnastically close to precisely this result in three of the last six national elections. And although it is possible that the worst of the dangers inherent in an election in which no candidate received an electoral majority could in the event be averted, there is in fact no possible way to avert the gravest kind of crisis of confidence in leadership and process alike, that would result if the Nation were obliged to accept as President a man whose popular vote was less than that of his defeated rival.

Supporters of the electoral college sometimes suggest that only intransigent, if not fanatic, disciples of majoritarianism would attach crucial importance to the fact that a candidate winning an electoral majority missed a popular vote victory by a few thousand votes. But tiny margins are significant to the American electorate, and every year we give mandates to all manner of people elected by small pluralities.

And preserving a system for electing the President and Vice President which makes possible the most fundamental frustration of the will of the people is an invitation to disaster at a time when millions of Americans have already become cynical about how real democratic process is in the United States. To continue to extend this particular invitation seems especially gratuitous and unwise in these circumstances.

The simple fact is that only direct election can give equal weight to the vote of each citizen and assure that whoever receives the most votes will become President.

When all is said and done, many of those who oppose the direct election of the President place themselves in an extraordinary posture. The most sophisticated of them continue to try to cloak their opposition in democratic rhetoric, to base their support for the electoral college on elaborate hypotheses about delicate balances and countervailing powers. But if they are really concerned about the strengthening and extension of the democratic process—perhaps even in the Halls of Congress itself—they can hardly add to their credentials or to the force of their argument by seeking to preserve archaic subterfuges when it comes to filling the most important office of all. The sacrifice of the basic principles exemplified in, and served best by, popular election, is ill-balanced by speculative conjectures about which group, or bloc, or point of view might profit the most from such a denial.

The simple fact is that we do not know what group or bloc or point of view would profit from direct election of the President. We do know that the majority will of the American people would so profit. We do know that the use of the electoral and that had it cancelled out the votes millions of Americans every 4 years, and that had it canceled out the votes of only a few thousand more Americans on any of several recent occasions, it would have done so at enormous risk to the ability of the new President to govern and at enormous cost to the respect of the people for their own form of government. I see little sense in continuing to preserve, protect, and defend a booby trap which could blow apart the national electoral procedures simply to head off speculative infringements on theoretical special privileges of particular groups. I would remind the House how easy it is to drift, to find ourselves at the next presidential election still unprepared and ripe for constitutional crisis.

## LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BIAGGI, for Wednesday, July 23, on account of official business.

Mr. BLACKBURN (at the request of Mr. GERALD R. FORD), for July 23 and 24, on account of official business.

Mr. BROYHILL of Virginia (at the request of Mr. GERALD R. FORD), for today and the balance of the week, on account of death in the family.

## SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. DENNIS), to revise and extend their remarks and to include extraneous matter:)

Mr. WEICKER, for 1 hour, on Monday, August 4.

Mr. FINDLEY, for 10 minutes, today.

Mr. SAYLOR, for 1 hour, on Thursday, July 24.

(The following Members (at the request of Mr. STOKES), to revise and extend their remarks and to include extraneous matter:)

Mr. ROONEY of Pennsylvania, for 10 minutes, today.

Mr. GONZALEZ, for 10 minutes, today.

Mr. DIGGS, for 60 minutes, on Wednesday, August 6.

Mr. MILLS (at the request of Mr. DORN), for 40 minutes, on July 28, to revise and extend his remarks and include extraneous matter.

## EXTENSIONS OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. KEE.

Mr. FULTON of Pennsylvania, immediately following the remarks of Mr. DENT in the Committee of the Whole today.

Mr. GROSS to include a letter in the colloquy with Mr. HAYS in the Committee of the Whole.

(The following Members (at the request of Mr. DENNIS) and to include extraneous matter:)

Mr. FULTON of Pennsylvania in five instances.

Mr. KYL.

Mr. KEITH.

Mr. DON H. CLAUSEN in two instances.

Mrs. MAY.

Mr. BUSH in two instances.

Mr. HOSMER in two instances.
Mr. DERWINSKI in two instances.
Mr. STEIGER of Arizona.
Mr. ASHBROOK.
Mr. WYMAN in two instances.
Mr. ERLENBORN.
Mr. PRICE of Texas.
Mr. MORSE.
Mr. CONTE.
Mrs. HECKLER of Massachusetts.
Mr. FRELINGHUYSEN.
Mr. BOB WILSON.
Mr. MILLER of Ohio.
Mr. MIZELL in two instances.

(The following Members (at the request of Mr. STOKES) and to include extraneous matter:)

Mrs. CHISHOLM in four instances.
Mr. FISHER in four instances.
Mr. EILBERG.
Mrs. GRIFFITHS.
Mr. RARICK in four instances.
Mr. GAYDOS in four instances.
Mr. POWELL.
Mr. OTTINGER in two instances.
Mr. GONZALEZ in two instances.
Mr. PEPPER.
Mr. KEE.
Mr. GALLAGHER.
Mr. WILLIAM D. FORD in two instances.
Mr. BIAGGI.
Mr. SHIPLEY.
Mr. KOCH in three instances.
Mr. EDWARDS of California in two instances.
Mr. GREEN of Pennsylvania in two instances.
Mr. O'HARA.
Mr. DULSKI in two instances.
Mr. MILLER of California in five instances.
Mr. CONYERS.
Mr. ULLMAN in five instances.

## SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 92. An act for the relief of Mr. and Mrs. Wong Yui; to the Committee on the Judiciary.

## ADJOURNMENT

Mr. STOKES. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 1 minute p.m.), the House adjourned until tomorrow, Thursday, July 24, 1969, at 12 o'clock noon.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

985. A letter from the Secretary of Health, Education, and Welfare, transmitting a report of actual procurement receipts for medical stockpile of civil defense emergency supplies and equipment for the quarter ending June 30, 1969, pursuant to the provisions of subsection 201(h) of the Federal Civil Defense Act of 1950, as amended; to the Committee on Armed Services.

986. A letter from the Comptroller General of the United States, transmitting a report on the effectiveness and administration of the Atterbury Job Corps Center for Men at Edinburg, Ind., under the Economic Opportunity Act of 1964, Office of Economic Opportunity; to the Committee on Education and Labor.

987. A letter from the Acting Assistant Administrator for Program and Policy, Agency for International Development, Department of State, transmitting the first annual report on the steps being taken to strengthen management practices in the foreign aid program, pursuant to the provisions of section 621(a) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

988. A letter from the Chairman, the Advisory Committee on the Arts, Department of State, transmitting the annual report of the cultural presentations program for fiscal year 1968, pursuant to law; to the Committee on Foreign Affairs.

989. A letter from the Chairman, Federal Power Commission, transmitting a copy of the publication "Recreational Opportunities at Hydroelectric Projects Licensed by the Federal Power Commission"; to the Committee on Interstate and Foreign Commerce.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. RIVERS: Committee on Armed Services. H.R. 13018. A bill to authorize certain construction at military installations, and for other purposes (Rept. No. 91-386). Referred to the Committee of the Whole House on the State of the Union.

Mr. PATMAN: Committee on Banking and Currency. H.R. 6778. A bill to amend the Bank Holding Company Act of 1956, and for other purposes; with amendment (Rept. No. 91-387). Referred to the Committee of the Whole House on the State of the Union.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CUNNINGHAM (for himself, Mr. COWGER, and Mr. MCCLOSKEY):

H.R. 13047. A bill to revise the laws relating to post offices and post roads, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. DENT:

H.R. 13048. A bill to create a Department of Youth Affairs; to the Committee on Government Operations.

H.R. 13049. A bill to provide for the redistribution of unused quota numbers; to the Committee on the Judiciary.

By Mr. EILBERG:

H.R. 13050. A bill to provide that John F. Kennedy's birthday shall be celebrated as a legal public holiday on the last Friday in May; to the Committee on the Judiciary.

By Mr. FULTON of Pennsylvania:

H.R. 13051. A bill to implement the Federal employee pay comparability system, to establish a Federal Employee Salary Commission and a Board of Arbitration, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. FULTON of Tennessee:

H.R. 13052. A bill to amend title 38 of the United States Code to extend by 1 year the period in which certain guaranty and insurance entitlement may be used by World War II veterans; to the Committee on Veterans' Affairs.

By Mr. JACOBS (for himself, Mr. ADAIR, Mr. ALBERT, Mr. ANDREWS of Alabama, Mr. ANNUNZIO, Mr. BARRETT, Mr. BIAGGI, Mr. BLANTON, Mr. BRASCO, Mr. BURTON of California, Mr. BUTTON, Mr. CAREY, Mr. CLARK, Mr. DAVIS of Georgia, Mr. DENT, Mr. DORN, Mr. ECKHARDT, Mr. ESHLEMAN, Mr. FEIGHAN, Mr. GALLAGHER, Mr. GAYDOS, Mr. GONZALEZ, Mr. GRAY, Mrs. GREEN of Oregon, and Mr. HAGAN):

H.R. 13053. A bill to extend benefits under section 8191 of title 5, United States Code, to law enforcement officers and firemen not employed by the United States who are killed or totally disabled in the line of duty; to the Committee on the Judiciary.

By Mr. JACOBS (for himself, Mr. HANSEN of Idaho, Mr. HALPERN, Mr. HELSTOSKI, Mr. HORTON, Mr. KASTENMEIER, Mr. KLUCZYNSKI, Mr. MCCLOSKEY, Mr. MCDADE, Mr. MIKVA, Mr. MILLER of Ohio, Mrs. MINK, Mr. MOORHEAD, Mr. MURPHY of Illinois, Mr. OTTINGER, Mr. PATTEN, Mr. PODELL, Mr. POWELL, Mr. PREYER of North Carolina, Mr. PRICE of Illinois, Mr. PURCELL, Mr. REUSS, Mr. RODINO, Mr. ROSENTHAL, and Mr. SISK):

H.R. 13054. A bill to extend benefits under section 8191 of title 5, United States Code, to law enforcement officers and firemen not employed by the United States who are killed or totally disabled in the line of duty; to the Committee on the Judiciary.

By Mr. JACOBS (for himself, Mr. SYMINGTON, Mr. TIERNAN, Mr. ULLMAN, Mr. VIGORITO, Mr. WALDIE, Mr. WAMPLER, Mr. WHITE, Mr. WHITEHURST, Mr. WINN, Mr. WOLFF, Mr. TEAGUE of California, Mr. WRIGHT, Mr. ROONEY of Pennsylvania, Mr. BRINKLEY, Mr. DOWDY, Mr. HECHLER of West Virginia, Mr. ROGERS of Colorado, Mr. FULTON of Tennessee, Mr. DUNCAN, Mr. CARTER, Mr. ANDREWS of North Dakota, Mr. LUKENS, Mr. MADDEN, and Mr. BUCHANAN):

H.R. 13055. A bill to extend benefits under section 8191 of title 5, United States Code, to law enforcement officers and firemen not employed by the United States who are killed or totally disabled in the line of duty; to the Committee on the Judiciary.

By Mr. JACOBS (for himself, Mr. PERKINS, Mr. CULVER, Mr. HOGAN, Mr. KEE, Mr. FLOWERS, Mr. BRAY, Mr. PEPPER, Mr. DAWSON, Mr. FINDLEY, Mr. MATSUNAGA, Mr. ANDERSON of Illinois, Mrs. CHISHOLM, Mr. GIAIMO, Mr. ADDABBO, Mr. COWGER, Mr. ABBITT, Mr. MCCULLOCH, Mr. BIESTER, Mr. SANDMAN, and Mr. BURTON of Utah):

H.R. 13056. A bill to extend benefits under section 8191 of title 5, United States Code, to law enforcement officers and firemen not employed by the United States who are killed or totally disabled in the line of duty; to the Committee on the Judiciary.

By Mr. MOSS:

H.R. 13057. A bill to assure an opportunity for employment to every American seeking work and to make available the education and training needed by any persons to qualify for employment consistent with his highest potential and capability, and for other purposes; to the Committee on Education and Labor.

By Mr. PODELL:

H.R. 13058. A bill to amend the Urban Mass Transportation Act of 1964 to provide priority in the allocation of funds thereunder to those cities and other public agencies which will permit persons who are at least 65 years of age to use the facilities at specially reduced fares, and for other purposes; to the Committee on Banking and Currency.

By Mr. PUCINSKI:

H.R. 13059. A bill to require the President to appoint a Moon Landing Monument Commission, and for other purposes; to the Committee on House Administration.

H.R. 13060. A bill to amend title 5, United States Code, to improve the basic workweek

of firefighting personnel of executive agencies, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. QUILLEN:

H.R. 13061. A bill to extend benefits under section 8191 of title 5, United States Code, to law enforcement officers and firemen not employed by the United States who are killed or totally disabled in the line of duty; to the Committee on the Judiciary.

By Mr. ROGERS of Florida (by request):

H.R. 13062. A bill to amend the Railway Labor Act in order to provide for changes in the method of payment of referees for the National Railway Adjustment and Special Adjustment Boards; to the Committee on Interstate and Foreign Commerce.

By Mr. ROONEY of Pennsylvania (for himself, Mr. OLSEN, Mr. ROGERS of Colorado, Mr. HELSTOSKI, Mr. PODELL, Mr. REUSS, Mr. HUNGATE, Mrs. MINK, Mr. CARTER, Mr. PERKINS, Mr. REES, Mr. ROYBAL, Mr. GAYDOS, Mr. WYMAN, Mr. PEPPER, Mr. MURPHY of New York, Mr. STANTON, Mr. MATSUNAGA, Mr. SCHEUER, Mr. MIKVA, Mrs. CHISHOLM, Mr. FULTON of Pennsylvania, Mr. HECHLER of West Virginia, Mr. ANDREWS of North Dakota, and Mr. DONOHUE):

H.R. 13063. A bill to amend the Public Health Service Act to provide grants to develop training in family medicine; to the Committee on Interstate and Foreign Commerce.

By Mr. ROONEY of Pennsylvania (for himself, Mr. BIAGGI, Mr. FISH, Mr. PATTEN, Mr. ROSENTHAL, Mr. ANDERSON of California, Mr. PHILBIN, Mr. DERWINSKI, Mr. DENT, Mr. WOLFF, Mr. HANLEY, Mr. KLUCZYNSKI, Mr. KUYKENDALL, Mr. GUBSER, Mr. DANIELS of New Jersey, Mr. BROWN of California, Mr. CONYERS, and Mr. BIESTER):

H.R. 13064. A bill to amend the Public Health Service Act to provide grants to develop training in family medicine; to the Committee on Interstate and Foreign Commerce.

By Mr. STAFFORD:

H.R. 13065. A bill to implement the Federal employee pay comparability system, to establish a Federal Employee Salary Commission and a Board of Arbitration, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. STAFFORD (for himself, Mr. HARVEY, Mr. SHRIVER, and Mr. ROBISON):

H.R. 13066. A bill to amend the Military Selective Service Act of 1967; to the Committee on Armed Services.

By Mr. TAYLOR:

H.R. 13067. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses; to the Committee on Interstate and Foreign Commerce.

By Mr. TEAGUE of Texas (by request):

H.R. 13068. A bill to amend the Merchant Marine Act, 1936, to encourage shipbuilding, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. UTT (for himself and Mr. BOB WILSON):

H.R. 13069. A bill authorizing the President to proclaim the week including the Fourth of July as "God Bless America Week"; to the Committee on the Judiciary.

By Mr. WINN:

H.R. 13070. A bill to extend benefits under section 8191 of title 5, United States Code, to law enforcement officers and firemen not employed by the United States who are killed or totally disabled in the line of duty; to the Committee on the Judiciary.

By Mr. WOLD:

H.R. 13071. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses; to the Committee on Interstate and Foreign Commerce.

By Mr. JACOBS:

H.R. 13072. A bill to provide for the compensation of persons injured by certain criminal acts; to the Committee on the Judiciary.

By Mr. KLUCZYNSKI:

H.R. 13073. A bill to authorize appropriations to be used for the elimination of certain rail-highway grade crossings in the State of Illinois; to the Committee on Public Works.

By Mr. OTTINGER:

H.R. 13074. A bill to implement the Federal employee pay comparability system, to establish a Federal Employee Salary Commission and a Board of Arbitration, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. COUGHLIN (for himself and Mr. SCHNEEBELI):

H.J. Res. 832. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. GONZALEZ:

H.J. Res. 833. Joint resolution for the establishment of a Drug Commission between the United States, Mexico, and Canada; to the Committee on Foreign Affairs.

By Mr. FREY (for himself and Mr. CHAPPELL):

H.J. Res. 834. Joint resolution to redesignate the area in the State of Florida known as Cape Kennedy as "Cape Canaveral"; to the Committee on Science and Astronautics.

By Mr. MURPHY of New York:

H. Con. Res. 304. Concurrent resolution expressing the sense of Congress relating to films and broadcasts which defame, stereotype, ridicule, demean, or degrade ethnic, racial, and religious groups; to the Committee on Interstate and Foreign Commerce.

By Mr. McCARTHY (for himself, Mr. BIAGGI, Mrs. CHISHOLM, Mr. CLEVELAND, Mr. CORMAN, Mr. CULVER, Mr. DADDARIO, Mr. FASCELL, Mr. FOLEY, Mr. GREEN of Pennsylvania, Mr. HAMILTON, Mr. HASTINGS, Mr. HATHAWAY, Mrs. HECKLER of Massachusetts, Mr. JACOBS, Mr. KLUCZYNSKI, Mr. KYROS, Mr. MOLLOHAN, Mr. NIX, Mr. O'HARA, Mr. ROYBAL, Mr. ST GERMAIN, Mrs. SULLIVAN, Mr. SYMINGTON, and Mr. WRIGHT):

H. Res. 490. Resolution urging the President to resubmit for ratification the Geneva Protocol of 1925 banning the first use of gas and bacteriological warfare; to the Committee on Foreign Affairs.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURLESON of Texas:

H.R. 13075. A bill providing for the extension of patent No. D-170,115; to the Committee on the Judiciary.

By Mr. MOSS:

H.R. 13076. A bill for the relief of Peter Heinrich Joehnssen; to the Committee on the Judiciary.

By Mr. OTTINGER:

H.R. 13077. A bill for the relief of Dr. John D. Fissekis and his wife, Jennifer Ann McPhee Fissekis; to the Committee on the Judiciary.

By Mr. ROBISON:

H.R. 13078. A bill for the relief of Herman Frederick Erben; to the Committee on the Judiciary.

## PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

186. By the SPEAKER: Petition of Vick Gould, Bellevue, Wash., and others, relative to amending the Constitution to limit taxes; to the Committee on the Judiciary.

187. Also, petition of Karl H. Stell, Hyattsville, Md., relative to redress of grievance; to the Committee on the Judiciary.

# EXTENSIONS OF REMARKS

## GROWTH OF INDIA

### HON. JAMES G. FULTON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, July 23, 1969*

Mr. FULTON of Pennsylvania. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

[From the Pittsburgh Press, July 9, 1969]

INDIA SHOWS SOLID SIGNS OF GROWTH—NEW ECONOMICS GIVES FREEDOM FROM SUPER-POWERS

(By Dale D. Morsch)

NEW DELHI.—India at last is showing solid signs of economic growth.

It follows an era of preoccupation with the super-powers, a grappling with the illusive policy of nonalignment and serious internal economic problems.

India has certainly not turned into an economic giant. Serious problems of food and finance still plague its development.

But the country is close to achieving self-sufficiency in food. Improved seed and agricultural techniques are bringing in bumper harvests and may enable India to export grain within a few years.

Industry is developing slowly but steadily after a serious recession following devaluation of the rupee in 1966. India now has technical know-how in many industries including steel, heavy engineering, fertilizer, oil exploration, chemicals, antibiotics, textile machinery, aviation, railways and shipbuilding.

India is diversifying its exports from traditional agricultural commodities and raw materials to finished industrial and chemical goods, including military hardware.

NEW REGIONS

As a result, New Delhi is in the proces of gearing its foreign policy to this new economic policy, exploring new regions of the world and improving relations with others.

This wind of change was reflected in two conferences held for Indian envoys who were summoned to New Delhi this year—one for the southeast Asia envoys in January and another for representatives in the Mideast and North Africa held in May.

At both meetings the emphasis was on increasing trade and economic relations with the nations in these regions. The envoys were asked to concentrate on finding markets for Indian goods and striking colaboration agreements in which India will supply the know-how, plant and machinery.