

not offer the incentives of the present system where, under the Twelfth Amendment, a third party candidate participates in the contingent runoff election in the House of Representatives. *Under our proposal only the two highest vote getters will be considered in the election by a Joint Session of Congress.*

Second, the geographical base provided by a majority of the electoral vote will add a significant factor of legitimacy to the popular vote winner who receives less than 40 percent of the popular vote.

In considering this plan, it should be kept in mind that the electoral vote cannot put the popular vote loser or runner-up in the White House. In other words, a repeat of the 1888 election, where Benjamin Harrison became President with fewer popular votes than Grover Cleveland by having a majority of electoral votes, is not possible under our system.

Of course, it will still be true that Congress may elect the candidate with fewer popular votes than his opponent. But in such a case, it seems to us that the will of the people is more accurately reflected through the vote of their representatives than through the arbitrary allocation of electoral votes under the unit rule. In addition, where no candidate has a clear-cut preference among the voters, it would seem desirable that whoever is elected should start his term with at least a working majority in Congress.

Selection by the Congress in Joint Session with each member having one vote lessens the chance, we believe, of any maneuvering casting suspicion on the legitimacy of the outcome. In contrast to the present situation where each State has one vote in the House of Representatives, an independent obligation is placed on every member to exercise his vote in a reasonable manner.

In the event that Congress must elect the President, our amendment provides that the newly elected Congress shall meet in a Special Session on the first Monday in December. To do so will cut in half the time lag between the second election and the present November election date which would otherwise prevail if the Joint Session is held immediately after Congress assembles on January 3. A two-week period is provided from the November election before the results must be declared. This should be adequate time for completion of recounts and ballot challenges. If Congress determines that more time is needed, the initial election may be moved back from its traditional November date. By narrowing the time

between the first and second elections, we are confident that the climate and opportunity for backroom bargaining will be substantially reduced. By moving the second runoff election to the first week in December the President-elect will be given more opportunity to organize his administration.

THREAT OF PARTY FRAGMENTATION

For many, substantial weakening of the two-party system would be a serious, if not crippling blow to the functioning of the American political process. A stable dual party structure serves many vital tasks of our democracy. Two stable parties provide the continuity of program needed to accomplish major change in a relatively slow-moving political process. Most important, with only two parties, there is a need to create a real majority or large plurality for electoral victory. This fact requires that each party provide a political program that attracts a broad spectrum of voters.

Of course, ours is a society that is in need of change and innovation in its policies and institutions. Many believe that the two-party system and barriers to third parties have impeded these needed reforms. However, historical precedent seems convincing that reform, if it is to be successful, is best directed within a major party. Only the major parties offer the strength of broad support and the structure of continuity that is a prerequisite for meaningful change. This is not to say, however, that the parties do not require major internal reform in order to allow change and challenge from within.

It is difficult to gather the support of large and differing groups in any party for significant change; but this is the cost of governing by consent rather than decree. The only other alternative in such a diverse society as ours is political fragmentation. And fragmentation without coercion will be stagnation.

In short, our political system desperately needs all its institutions that moderate conflict and provide for the means to change. The enactment of S.J. Res. 1 would alter the Presidential elections to encourage third parties and undermine one of the key institutions of conflict, resolution and change in our system. We believe our modification of S.J. Res. 1 combines the best features of the electoral and popular vote systems. It encourages accommodation while insuring that the President-elect directly reflects the vote of the people. While no Presidential election system can adequately encompass every interest in our complex society, we respectfully suggest that S.J. Res. 1 as amended by our proposal offers the best alternative.

SUMMARY ANALYSIS

The amendment retains the basic requirement in S.J. Res. 1 that a Presidential candidate must receive 40 percent of the popular vote in order to be elected. However, instead of having a popular runoff if no candidate gets the necessary 40 percent, the popular vote winner will be elected automatically if he wins a majority of the electoral vote.

If the popular vote winner does not receive 40 percent of the popular vote or a majority of the electoral vote then the newly elected Congress sitting in a Special Joint Session shall elect the President from among the two highest popular vote recipients. The Special Session will be held on the first Monday in December in the manner provided for by Congress. The election shall take place immediately after the assembling of Congress in Joint Session and after a quorum, consisting of three-fourths of the Members of Congress, has been attained. By a record vote the candidate receiving the most votes shall be elected President.

The Special Session shall be convened only for the purpose of electing the President and will not cut short any pending regular session or affect the powers or term of office of Members of Congress assembled for such a regular session.

An additional provision is included which allows Congress to set a Presidential election earlier, but not later, than the present date for such elections. In addition, the results of the popular election must be declared by the third Tuesday after the first Monday in November. Since Section 5 provides that a runoff election in Congress shall be held on the first Monday of December, at least a week will elapse between the formal declaration of the results and the second election. In the event that Congress determines there is not adequate time for recounts between the present November election date and the deadline for declaring the results an earlier date may be set for the initial election.

ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. BYRD of West Virginia. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 10 a.m. tomorrow.

The motion was agreed to; and (at 6 o'clock and 9 minutes p.m.) the Senate adjourned until tomorrow, Friday, June 19, 1970, at 10 a.m.

HOUSE OF REPRESENTATIVES—Thursday, June 18, 1970

The House met at 11 o'clock a.m.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

O keep my soul and deliver me; let me not be ashamed; for I put my trust in Thee. Psalm 25: 20.

Infinite and eternal God, whose way is life, whose work is truth, and whose will is love—let Thy presence abide in our hearts this day and all days, that seeking Thy life we may find it, searching for Thy truth we may discover it, and striving for Thy love we may possess it. Thus may we dwell together safely and securely, proving ourselves faithful to Thy trust in us.

We commend our country to Thy loving care and keeping. Guide our leaders in right paths and our people in true ways for Thy name's sake. Particularly

do we pray for the men and women in our Armed Forces and for our prisoners of war. Strengthen them to endure what must be endured and give them hope for the end of conflict, for peace, and for a safe return to their loved ones.

In the spirit of the Prince of Peace we pray. Amen.

THE JOURNAL

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

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Leonard, one of his secretaries.

MESSAGE FROM THE SENATE

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

H.R. 16731. An act to amend the provisions of title III of the Federal Civil Defense Act of 1950, as amended.

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

H.R. 16298. An act to amend section 703(b) of title 10, United States Code, to extend the authority to grant a special 30-day leave for members of the uniformed services who voluntarily extend their tours of duty in hostile fire areas.

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. 3825. An act to authorize further adjustments in the amount of silver certificates outstanding, and for other purposes.

LETTER FROM THE PRESIDENT OF THE REPUBLIC OF VENEZUELA

The SPEAKER laid before the House the following letter from the President of the Republic of Venezuela:

JUNE 8, 1970.

HON. JOHN W. MCCORMACK,
Speaker of the House,
Capitol Building, Washington, D.C.

MR. SPEAKER: On returning to Venezuela I wish to express my sincere gratitude for the generous reception you accorded me on the occasion of my visit to the Congress of the United States of America.

I can assure you, Mr. Speaker, that the privilege of having addressed the Joint Session of the Honorable Congress of your Nation, constitutes for me an unforgettable experience.

Cordially,

RAFAEL CALDERA.

THE HONORABLE ALLARD LOWENSTEIN

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

MR. TUNNEY. Mr. Speaker, since his election to the House of Representatives the gentleman from New York, AL LOWENSTEIN, has symbolized the type of leadership and vision that our country must have if it is going to be able to cope with the challenges that will confront us throughout the decade ahead.

The recent decision of the Oceanside Long Island High School Board not to allow him to speak at the high school commencement ceremonies, after the graduating class had indicated overwhelmingly that Congressman LOWENSTEIN was their choice, speaks volumes about the lack of understanding and commitment that the school board has to the generation of American youth that they are educating.

Congressman LOWENSTEIN has long been associated with the causes of progress and of hope that are of such passionate interest to our young people. He is a man of peace and of vision.

If we are ever to have true peace within our community of mankind, it will be brought about by the type of people who have been listening to what Congressman LOWENSTEIN and men of similar spirit have been saying.

The students at Oceanside High School will hear the Congressman, in a graduation ceremony that they have set up on their own.

The tragedy is that those who need to hear him the most, namely, the members of the school board, have refused even to listen.

OCEANSIDE SCHOOL BOARD MIGHT PROFIT FROM A HIGH SCHOOL CIVICS COURSE

(Mr. WALDIE asked and was given permission to address the House for 1

minute and to revise and extend his remarks and include extraneous matter.)

MR. WALDIE. Mr. Speaker, a worse example of democracy in action could hardly have been demonstrated than the action that was taken by the Oceanside High School Board in Long Island, N.Y., when they rejected the results of a decision that had been extended to the student body of that high school to select a commencement speaker.

The student body voted overwhelmingly after being accorded the opportunity of determining the speaker they desired to address them at their commencement exercises, to invite the Congressman representing that district, the gentleman from New York (Mr. LOWENSTEIN).

The school board determined that the decision of the students involved a "controversial figure"; that "controversial figure" being the elected Representative of that particular district. They, therefore, denied their Congressman the opportunity to participate in the commencement exercises and denied the students their choice of speaker.

If there was ever a man in this country who has done more than any other to put out the fires of student violence and student unrest and to channel their energies into constructive channels and into the system, it is AL LOWENSTEIN.

He is noted and respected in the student community of this Nation for his counseling of nonviolence and for his urging students to enter into constructive channels to express their frustrations and their alienations and their dissent.

If AL LOWENSTEIN is "controversial" it is because the extremists who counsel violence and destruction find his opposition to their views to be too effective.

So it is regretful that the school board was so intolerant with the desire of the students and portrayed to them as miserable and as poor an example of the workings of democracy as their decision in this instance did.

Not only do the students who have been treated as children by their school board now have cause to believe the increasingly common charge that the system is in charge of timid and unresponsive people, but the Oceanside School Board has sided with the student extremists in this land who condemn the moderate counsel AL LOWENSTEIN has been giving on the campuses of this land.

SCHOOL BOARD REJECTS CONGRESSMAN LOWENSTEIN AS COMMENCEMENT DAY SPEAKER

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

MR. ADAMS. I want to join with my colleagues today in deploring what happened at Oceanside school when the school board refused to allow the elected Representative from that area, Mr. ALLARD LOWENSTEIN to make the commencement address.

This is a man who is trying throughout the country to bring students into the system. For example, he was just awarded the Notre Dame Senior Fellow

Award that is annually awarded by the Notre Dame senior class, to prominent Americans. He also addressed Harvard University this year on the occasion of their annual class day. The tragedy of this refusal is compounded by the fact that Mr. LOWENSTEIN is the elected Representative of the congressional district in which the school is located. How ridiculous to say he could be considered so controversial that the young people in his district should not listen to him. I think all of us in the House—liberals, conservatives, Republicans and Democrats, of whatever persuasion we may be—would find it to be a terrible thing if certain people in our districts were given the power to say that their elected Representative was someone who could not be heard on local public school property after the school had invited him to come. I hope this school board will reconsider its censorship of a fine public official, ALLARD K. LOWENSTEIN, of the Fifth District of New York.

THE CONTRIBUTIONS TO DOMESTIC TRANQUILLITY OF CONGRESSMAN ALLARD LOWENSTEIN

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

MR. McCLOSKEY. Mr. Speaker, I would like to join in the expressions of esteem expressed here today for our colleague, ALLARD LOWENSTEIN.

This Nation has lately suffered a crisis in the loss of confidence of our youth in our Government and the laws that that Government administers. Hopefully, that crisis period is now ending as our young people turn to action within the system and turn away from those who urge rebellion against it.

Perhaps more than any one of the 537 elected national leaders that serve here—in the White House and in the Congress—AL LOWENSTEIN has been responsible for keeping the faith of millions of young people alive during these last several years of national debate and probing self-scrutiny. During a period when students have seen the successive assassinations of three great national leaders, AL has worked tirelessly and selflessly to preserve law and order on campuses all over the United States. He has counseled nonviolence and obedience to the law in places and circumstances where to do so involved far more than his credibility—indeed, his personal safety. Considering his conduct against the rigors and challenges of combat which some in this House have experienced, I think AL's leadership and courage during these past several years have been of the highest order. His example has been of immeasurable benefit to this Nation during a period we may one day view as being of an importance to our institutional survival comparable to those years between 1776 and 1789, or 1861 and 1865.

ROCKEFELLER FOR PRESIDENT

(Mr. HECHLER of West Virginia asked and was given permission to address the House for 1 minute.)

MR. HECHLER of West Virginia. Mr.

Speaker, today marks the 33d birthday of a man who is destined to be a future President of the United States.

West Virginia is proud of its young Secretary of State, the Honorable John D. Rockefeller IV. And as the rest of the Nation gets to know him better, I am confident they will recognize in him the qualities which are needed in a Chief Executive.

In 1966, Jay Rockefeller was elected to the house of delegates of the West Virginia State Legislature by a huge majority, and he led the ticket both in the primary and the general election. In 1968, in his first run for statewide office, Mr. Rockefeller amassed a vote of 433,142 to 277,877 against a formidable and respected opponent. I dare say that the action of the House of Representatives yesterday in sending the 18-year-old vote legislation to the White House will enhance Mr. Rockefeller's standing with voters everywhere, because of his very strong appeal to young people. In scores of appearances on high school and college campuses and before youth groups, his keen awareness of human problems and ability to recognize the winds of change have inspired the confidence of young people everywhere.

We should not overlook the fact that the qualities of a First Lady are clearly present in Mrs. Rockefeller, the lovely and talented daughter of U.S. Senator CHARLES PERCY of Illinois.

Jay Rockefeller is as tall as ROGERS MORTON, he has the athletic build of GERRY FORD, the judicious spirit of BILL McCULLOCH, and the fearless attitude toward national priorities of CHUCK WHALEN and PETE McCLOSKEY, but we are all proud on this side of the aisle of the fact that this Rockefeller is a Democrat.

So happy birthday to the future Governor of West Virginia, a future President of the United States, the Honorable John D. Rockefeller IV.

APPOINTMENT OF CONFEREES ON S. 1519, NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE

Mr. PERKINS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 1519), to establish a National Commission on Libraries and Information Science, and for other purposes, with a House amendment thereto, insist on the House amendment, and agree to the conference requested by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? The Chair hears none, and appoints the following conferees: Messrs. PERKINS, BRADENAS, Mrs. MINK, and Messrs. REID of New York and STEIGER of Wisconsin.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE PRIVILEGED REPORT ON PUBLIC WORKS AND ATOMIC ENERGY APPROPRIATIONS, 1971

Mr. EVINS of Tennessee. Mr. Speaker, I ask unanimous consent that the Com-

mittee on Appropriations may have until midnight tonight, Thursday, June 18, to file a privileged report on the Public Works and Atomic Energy Commission appropriation bill for the fiscal year 1971.

Mr. RHODES, of Arizona, reserved all points of order on the bill.

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

There was no objection.

MAKING IN ORDER CONSIDERATION OF JOINT RESOLUTION FOR CONTINUING APPROPRIATIONS, 1971

Mr. MAHON. Mr. Speaker, I ask unanimous consent that it may be in order any day next week to consider a joint resolution making continuing appropriations for the fiscal year 1971.

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

Mr. GROSS. Mr. Speaker, reserving the right to object, this appears to be an appropriate time to try to get some information as to what the future holds for the Members of the House of Representatives. I do not know how many continuing resolutions we will have this year. On occasion we hear that the desire is to adjourn at a reasonably early date so we can get to our districts. Every Member of the House has a campaign this year and a third of the Members of the other body have campaigns. I am interested in the House at the moment. Earlier this year it was reported that we would be out of here around Labor Day, and then a few days ago we were told we may very well be in session in December, or even January of next year, preceding the date of the convening of the 92d Congress.

Is there anyone who can give us any idea what we might logically look forward to as a matter of being in session? As long as we pass continuing resolutions, we are going to be in session, it seems to me. That has been the experience of the past.

I wonder if our distinguished majority leader could give us any indication at all as to what the future holds for us as to being in session.

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

Mr. GROSS. I yield to the gentleman from Texas.

Mr. MAHON. Mr. Speaker, I would like to give some brief background information on the status of the appropriation bills. I am certain the majority leader would also wish to respond.

STATUS OF THE APPROPRIATION BILLS

The Committee on Appropriations, this morning, reported the public works-AEC appropriation bill for 1971. Members can now get copies of the report and the bill from the committee rooms. It is scheduled, I believe, by the leadership for floor consideration next Wednesday.

That would mean we would, then, lack in the House, action on only two appropriation bills for fiscal 1971. One, the Labor-HEW bill—and we have already

passed the education part. We expect to report that bill in the early part of July.

That would leave one more annual appropriation bill to be reported for 1971—Defense. There has been considerable controversy over the content of the defense authorization bill. The House has passed it, but the Senate has not. There is some considerable divergence of opinion between the House and the Senate committee. So, until the situation on the authorization is better clarified, it would seem unwise to bring in the defense appropriation bill—at least for a few weeks yet. I might add that the appropriation hearings in the House committee are completed.

Now, with respect to the position of the bills which have passed the House, the second supplemental appropriation bill for 1970, which contains in excess of \$6 billion in addition to several important provisions otherwise, has been on the calendar of the other body since June 8.

The education appropriation bill for 1971, which passed the House April 14, has been on the calendar of the other body since May 15.

The District of Columbia appropriation bill for 1971, which passed the House on June 4, was I believe reported in the other body yesterday.

The Interior appropriation bill for 1971 is, I believe, scheduled for mark up in committee of the other body today.

On the agriculture appropriation bill for 1971, I am informed that committee hearings in the other body have been completed.

On the independent offices-Housing and Urban Development bill for 1971, I understand that committee hearings in the other body have been completed and that it is scheduled to be marked up in committee next week.

On the legislative and Treasury-Post Office appropriation bills for 1971, I understand that committee hearings in the other body are completed.

On the State-Justice-Commerce-judiciary bill for 1971, I understand that committee hearings in the other body may be about to conclude.

On the Labor-HEW bill for 1971, aside from the education items which are in a separate bill, I am advised that committee hearings in the other body began on Tuesday, June 16.

In respect to the Defense appropriation bill for 1971, I understand that committee hearings in the other body have been completed except perhaps for relatively brief hearings after the House acts on that bill.

On the public works-AEC appropriation bill for 1971, which as I indicated earlier the House will probably consider next Wednesday, I am advised that hearings are completed in committee in the other body except perhaps for a day or two or so after the House acts.

Three of the bills for 1971—foreign assistance, military construction, and transportation—are in committee in the other body. I have no information about the status of hearings on those bills.

But may I add, Mr. Speaker, that from the information which I have recited, it seems to me that the Committee on Appropriations in the other body is in

position to make it highly possible that we shall see several of the bills cleared through conference in the month of July.

Mr. GROSS. Let me say to the distinguished chairman of the Appropriations Committee that I have no criticism of the Appropriations Committee, because it has this year expedited the bringing out of the appropriation bills. The criticism, if any, belongs to the other body, which up to this point has been dragging its feet in considering the bills that have been sent over the House—appropriation bills in particular.

I have no criticism of the Appropriations Committee.

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

Mr. GROSS. I yield further.

Mr. MAHON. I appreciate the gentleman's attitude. I can understand it perfectly. I believe there is much wisdom in what the gentleman has said.

It is the thinking of the Committee on Appropriations—certainly, my thinking and my high hope—that the other body in July will very probably pass a considerable number of the appropriation bills, and if so, we hope that many of the appropriation bills will be finalized by Congress during July. We have thus recommended a continuing resolution for the month of July only.

I am sure the gentleman would like to hear, as we all would, from the majority leader as to the prospective date of adjournment.

Mr. GROSS. Yes.

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

Mr. GROSS. I yield to the distinguished majority leader, who has had time to cogitate on this problem.

Mr. ALBERT. First I wish to join the gentleman from Iowa in emphasizing and reemphasizing the fact that there is certainly no quarrel with the Committee on Appropriations of the House. It has expedited its business. It has brought out bills regularly and on schedule. The only one which might be slightly delayed is the one on which authorization has not been agreed upon between the two bodies.

Beyond that, I would say to the gentleman that the key, of course, to getting out is the disposition of all appropriation bills in both bodies and through conference. I can only say that so far as I can see at this time I see no chance of adjourning the two Houses by Labor Day. I just do not think we will.

I should like to say, beyond that, that speculation, as to when the House will get through is always somewhat dangerous, but speculating as to when any other body will get through is completely disastrous.

Mr. GROSS. Would the distinguished majority leader think that there might be a recess in August, to permit the other body to improve its footwork in expediting legislation?

Mr. ALBERT. We are moving in that direction. My own judgment—and I still must speak with the Speaker and the distinguished minority leader on this subject—is I think we will work out an August recess.

Mr. GROSS. Of course, the distinguished majority leader knows it is impossible to lay out any plans for a recess in August unless we are given some advance notice.

Mr. ALBERT. If the gentleman will yield further, I hope when we announce the program today we can be a little more explicit.

Mr. GROSS. I thank the gentleman. I thank both gentlemen.

Mr. Speaker, I withdraw my reservation.

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

There was no objection.

STATUS OF 1971 APPROPRIATION BILLS

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

Mr. BOW. Mr. Speaker, as of today we have sent 11 of 14 1971 appropriation bills to the Senate as well as the second 1970 supplemental appropriation bill; all except public works, Labor-HEW, and Defense.

We hope to bring public works to the floor next week, Labor-HEW to the floor the week of July 6, and complete action on Defense as promptly as possible.

The Senate has reported only three bills to date—education, District of Columbia, and the second supplemental.

We hope to proceed with conferences as soon as the other body will complete their consideration of these three and the other bills.

In the meantime, the agencies of the Federal Government must continue to function. This continuing resolution will provide for this—nothing more—it is the traditional language and contains nothing new or unusual.

It provides for continued operation of the Federal Government through July 31. We hope that this date will serve to encourage the other body to act as promptly as possible.

OCEANSIDE SCHOOL DISTRICT REFUSAL TO PERMIT CONGRESSMAN LOWENSTEIN TO SPEAK AT COMMENCEMENT

(Mr. MIKVA asked and was given permission to address the House for 1 minute.)

Mr. MIKVA. Mr. Speaker, I was distressed to hear that the Oceanside School District found reason to "disinvite" our colleague, Congressman LOWENSTEIN of New York, to speak at the commencement address at the high school, notwithstanding the fact that the overwhelming majority of the student body wanted his presence. I know of no better way to turn young people off about democracy than that kind of conduct on the part of the school board.

I would remind them to take some comfort from Milton, in his "Aeropagitica," when he reminded us that in a

fair fight between truth and falsehood, truth will always win out.

Or, perhaps that is what worries the school board of Oceanside.

OCEANSIDE SCHOOL DISTRICT REFUSAL TO PERMIT CONGRESSMAN LOWENSTEIN TO SPEAK AT COMMENCEMENT

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

Mr. ECKHARDT. Mr. Speaker, I rise on the same subject, and to express my concern about the occasion of our distinguished colleague, the gentleman from New York (Mr. LOWENSTEIN), who had been invited to speak at the Oceanside High School at its graduation by a two-thirds vote of the members, being turned down at the instance of the school board.

The students were directed to submit a list of noncontroversial potential speakers on which the principal would make the final decision. I wonder from whom that group would be chosen—the silent majority? And should the speech consist of 15 minutes of courageous silence by the speaker at that graduation exercise? It seems to me that controversy is the basis of both of the two legs of our democratic system: that is representative democracy and the common law. It is only on the forge of controversy that truth is annealed and hammered out.

OCEANSIDE HIGH SCHOOL CONTROVERSY

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

Mr. CONTE. Mr. Speaker, I am disturbed over the recent action taken by Oceanside High School in New York. This school is in the district of my distinguished colleague, Mr. LOWENSTEIN. A group of seniors at Oceanside asked the school administration to have Mr. LOWENSTEIN speak at commencement exercises. At the request of the principal, a referendum was taken by the students who voted 386 to 204 to invite their Congressman.

In the wake of this vote, taken through the democratic processes that we encourage our young people to honor and respect, the principal changed his mind. He did so after a public meeting of the school board indicated that Mr. LOWENSTEIN's presence would cause a controversy in the school district.

As a result of this series of events, the graduating class has decided to hold their own ceremony to which they have invited their Congressman.

Mr. Speaker, there is a much bigger issue here than just whether our colleague speaks at Oceanside. It affects all of us. Very simply, Oceanside's seniors have just had a lesson in "how government works." I think my colleagues know what their reaction will be when they are next told to work within the system. I deeply regret what happened and I hope this body is equally disturbed.

ANNUAL REPORT OF ACTIVITIES UNDER PUBLIC LAW 480—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 91-352)

The Speaker laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Agriculture and ordered to be printed with illustrations:

To the Congress of the United States:

The annual report on activities under Public Law 480—which I transmit herewith—reflects the efforts and progress made during 1969 toward the Food for Peace Program's dual goals of agricultural trade development and assistance.

Food for Peace, which completed its fifteenth year of operation during 1969, is a landmark among humanitarian efforts to improve diets in the developing areas of the world. It plays an important part in the work of developing nations to improve their own agricultural production, marketing, and distribution. Although many of these countries are becoming better able to feed their people the need for substantial food assistance continues.

The Food for Peace Program enables the United States to pursue its food assistance goals and development objectives in a number of ways: bilaterally, through concessional sales programs and government-administered donations programs; privately, through religious and charitable voluntary agencies such as CARE; multilaterally, through institutions such as the World Food Program.

In addition, local currencies generated through Title I concessional sales and received through repayments of earlier loans continue to provide balance of payments benefits to the United States by permitting expenditures of U.S.-owned currencies rather than dollars in many countries. Such currencies have also been used to finance projects undertaken to increase our commercial sales of agricultural commodities, and thereby helped to develop an increased market for U.S. agricultural products. These projects helped in 1969 to reverse the downward trend of U.S. farm exports in recent years.

The Food for Peace Program enables the enormous technological capability and productive capacity of American agriculture to be utilized to assist low income countries in developing their agricultural sectors, and in feeding their citizens while they still require outside help in doing so. This Administration pledges to continue its efforts toward achieving the goals of this program.

RICHARD NIXON.

THE WHITE HOUSE, June 18, 1970.

CALL OF THE HOUSE

Mr. CUNNINGHAM. 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. 178]

Adair	Gallagher	Powell
Anderson, Tenn.	Gaydos	Preyer, N.C.
Ashley	Gilbert	Roe
Beall, Md.	Griffin	Rooney, N.Y.
Bray	Hébert	Rosenthal
Brock	Heckler, Mass.	Roudebush
Burton, Utah	Hull	Roybal
Bush	Jones, Ala.	Scheuer
Celler	King	Schwengel
Chisholm	Kirwan	Smith, Calif.
Clark	Lennon	Springer
Cowger	Long, La.	Stokes
Cramer	McCarthy	Stratton
Daddario	McMillan	Stuckey
Daniels, N.J.	Maillard	Ullman
Dawson	Minshall	Vander Jagt
Dent	Morton	Whalley
Erlenborn	Nedzi	Wilson,
Ford,	O'Neal, Ga.	Charles H.
William D.	Ottinger	Zablocki
Foreman	Poage	Zion
Fraser	Pelly	
	Pollock	

The SPEAKER. On this rollcall 364 Members have answered to their names, a quorum.

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

POSTAL REORGANIZATION AND SALARY ADJUSTMENT ACT OF 1970

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 further consideration of the bill (H.R. 17070) to improve and modernize the postal service, to reorganize the Post Office Department, and for other purposes.

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

The motion was agreed to.

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 further consideration of the bill H.R. 17070, with Mr. PRICE of Illinois in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday it had been agreed that section 102, ending on line 4, page 293, of the committee substitute, be considered as read and open to amendment at any point.

AMENDMENT OFFERED BY MR. OLSEN

Mr. OLSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. OLSEN: On page 174, beginning in line 5, amend subsection (c) (1) of section 201, to read as follows:

"(c) (1) Notwithstanding any other provision of this title or any provision of a collective bargaining agreement negotiated under subchapter II of this chapter, the provisions of title 5 relating to a 'preference eligible', as that term is defined under section 2108(3) of title 5, as those provisions may from time to time be amended, shall apply to an applicant for appointment in the Postal Service in the same manner and under the same conditions required for an applicant for appointment to a position in the competitive service under title 5 and shall apply to an employee of the Postal Service in the same manner and under the same conditions as if the employee were in the competitive service

and subject to the provisions of title 5. Without compromising its basic mission, the Postal Service shall pursue an employment policy designed to extend opportunity to the disadvantaged and the handicapped."

Mr. OLSEN. Mr. Chairman, the purpose of the amendment is to clarify and maintain all of the veterans' preference rights that presently exist in the law.

We want to clarify and maintain those right of veterans' rights after the employees in this new organization have been removed from the competitive civil service by the postal reorganization legislation.

The bill, as it stands now, is particularly and may be purposely, although I do not charge that—but it is particularly vague as to the rights of veterans entering the Postal Service.

Veterans applying for jobs in the Postal Service should have the same rights as veterans entering the regular competitive civil service in the Government.

If you believe in the preference rights of veterans as regards the Postal Service, in the matter of employment and re-employment and on returning from military service and the rights of appeal that veterans have concerning adverse actions and releasing of employees when reductions in the work force occur, then I urge that you support my amendment so the preference rights of postal service veterans cannot be negotiated away in future collective bargaining.

This amendment is purely and simply to maintain the present well-established preference rights of veterans.

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

Mr. OLSEN. I yield to the gentleman.

Mr. GRAY. I want to commend my distinguished friend, the gentleman from Montana, for offering this amendment and offer my support. We all want to support our veterans' preference.

Mr. OLSEN. I thank my colleague.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Montana (Mr. OLSEN).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. PURCELL

Mr. PURCELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PURCELL: On page 177, delete lines 19 to 24, and on page 178 delete lines 1 to 3. Insert beginning on line 19, page 177, the following:

"It shall be the policy of the Postal Service to maintain compensation and benefits for all employees on a standard of comparability to the compensation and benefits paid for comparable levels of work in the private sector of the economy. Such policy may be applied on an area basis, in which event the Postal Service, consistent with subchapter II of this chapter and collective bargaining agreements, shall define the boundaries of any such wage area. It shall be the policy of the Postal Service to provide adequate and reasonable differentials in rates of pay between employees in the clerk and carrier grades in the line work force and supervisory and managerial employees."

Mr. PURCELL. Mr. Chairman, I rise to address myself to section 205 of the pending legislation entitled "Policy on Compensation and Benefits."

This amendment I have just offered would simply permit negotiation of area wage differentials through the collective bargaining process, rather than making such differentials statutory.

Under the present language of the bill, as reported out by the House Post Office and Civil Services Committee, area wage differentials would be mandatory, not permissive.

The pertinent language in the bill, without this amendment, reads:

It shall be the policy of the Postal Service to maintain for each wage area compensation and benefits for all employees on a standard of comparability to the compensation and benefits paid for comparable levels of work in the private sector of the economy in the corresponding wage area.

This amendment would change the pertinent language to read:

It shall be the policy of the Postal Service to maintain compensation and benefits paid for comparable levels of work in the private sector of the economy. Such policy may be applied on an area basis, in which event the Postal Service, consistent with subchapter II of this Chapter and collective bargaining agreements, shall define the boundaries of any such wage area.

This amendment is a constructive one and I support it without reservation.

There can be little doubt, Mr. Chairman, that area wage differentials would go far toward resolving some of the inequities that brought about the recent mail work stoppage in New York and other urban areas.

During the depression years the job of postal clerk or postal letter carrier was envied and sought after because the wage—compared to wages paid in what was left of private enterprise—was extremely good.

But, for too long after that depression, wages stayed more or less where they were, while industrial salaries increased a great deal.

In some communities in this country, postmen are still regarded as making a fairly adequate wage. The reason, of course, is that the cost of living in those communities, though high, is not nearly as high as it is in some other parts of the country, in our sprawling metropolitan centers particularly.

I, for one, cannot conceive of how a letter carrier in New York, with a family of five, can possibly survive on \$6,548 a year—which is the basic wage for a level 5 carrier, including the 6-percent raise recently enacted by the Congress.

This discrepancy in ability to pay for basic needs is a fundamental fault of the present postal system. The system is an anachronism and as out of date as it can be. I think it is as out of date as the 2-cent stamp.

So, I am much in favor of postal employees having the right to bargain for badly needed area wage scales.

But I do not believe that as a matter of law, the Department should be compelled to establish area wage systems in all areas of the country. I think it is a negotiable issue as to where such scales should be established and where they should not, as well as to what the area wage scale should be and where the boundaries should be on the area covered.

I urge each of my colleagues to support this amendment and the language on this issue, as I will do and I know many others will do.

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

Mr. PURCELL. I yield to the gentleman from Arizona.

Mr. UDALL. I want to commend the gentleman from Texas on offering his amendment, which strikes at a very vital area of the bill. It is the kind of middle ground I would expect the gentleman from Texas to take. Under the bill as now written you must have area wages. In the bill area wages are mandatory. The gentleman from Florida (Mr. Gibbons) I understand will offer a substitute which will say that in no place can you have area wages; in no part of the country, under any circumstances, may there be area wages. The gentleman's amendment takes the middle ground. This is an amendment that comes between the position of management and the position of the postal unions as to whether we will have area wages and, if so, where we will have them. I think this is a sensible middle ground, and I support the amendment.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(On request of Mr. McCORMACK, and by unanimous consent, Mr. PURCELL was allowed to proceed for 3 additional minutes.)

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

Mr. PURCELL. I yield to the gentleman from Texas (Mr. GONZALEZ).

Mr. GONZALEZ. Mr. Chairman, I thank my illustrious colleague, the gentleman from Texas, for yielding, but I want to ask a couple questions.

First, since the gentleman from Arizona has stated that the bill under consideration, if enacted as written, would provide compulsory wage area determinations, may I ask the gentleman what the current and historical practice has been. Is it true that it is equal pay for equal work? In other words, the man doing the same work in Texas as his counterpart in San Francisco receives the same wage rate?

Mr. PURCELL. That is the present law.

Mr. GONZALEZ. Then may I ask another question. Did this committee take into consideration the long and sorry experience of area wage boards in the other categories of blue collar work in the civil service and in the wage board areas on the civilian payroll, such as the Navy wage boards and the Army Air Force wage boards? Is there any evidence—I did not see any in the committee report—that this committee studied the history and the terrible situation that exists now, and that two Presidents have indicated should be corrected, with respect to this precise question of wage board area determinations?

Mr. PURCELL. The committee certainly did study all aspects, I feel, of the wage problem that we had in all of the civil service matters, and as I indicated, as the board now is, it has this mandatory requirement.

Mr. GONZALEZ. True.

Mr. PURCELL. But this is the first time that we have had an opportunity for the organizations representing the members of the postal service to negotiate any kind of wages. So it is my belief and, I think, the belief of many on the committee who have studied this, that a permissive provision giving the opportunity to negotiate to the postal service and the negotiating bodies for the employees, when it appears this would be appropriate, would be more equitable and would give much more opportunity for the postal employees to be treated in the manner all of them would like to be treated in.

Mr. GONZALEZ. What I want to know is, did this committee take into consideration the Henderson committee's long investigation of the determination of the inadequacy of the wage board determinations in other areas?

Mr. PURCELL. Mr. Chairman, I yield to the gentleman from North Carolina, since his name was mentioned.

Mr. HENDERSON. Mr. Chairman, I would like to inform the Members of the House the full committee has reported out a wage board bill affecting the system the gentleman is talking about, that will embody an improved pay system for the wage board members.

I appreciate the gentleman yielding and I support the gentleman in the amendment he is offering.

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

Mr. PURCELL. I yield to the gentleman from Pennsylvania.

Mr. CORBETT. Mr. Chairman, I would like to ask the gentleman from Texas (Mr. PURCELL) to advise me whether his amendment would strike out all of section 205?

Mr. PURCELL. I do not have all of section 205 in front of me, but the amendment would strike the language I read that is presently in section 205, and then substitute for it the more adequate language that I also read.

Mr. CORBETT. I am particularly concerned about the fact that the wage differential for supervisors is in section 205, and if the gentleman's amendment strikes that out, then I would like to offer an amendment to the gentleman's amendment to restore that.

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

Mr. CORBETT. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, it was my understanding, in preparation of the amendment, that while it strikes most of the section, it does not change the part the gentleman is interested in, but the rewrite of the section in the gentleman's amendment only deals with this one area in question and leaves the rest unchanged.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(On request of Mr. DULSKI, and by unanimous consent, Mr. PURCELL was allowed to proceed for 1 additional minute.)

The CHAIRMAN. The Chair has come to the conclusion that the committee does not understand the amendment.

Without objection, the Clerk will reread the first part of the amendment.

There was no objection.

The Clerk reread the first part of the amendment.

Mr. CORBETT. Mr. Chairman, the amendment of the gentleman from Texas (Mr. PURCELL) therefore runs through just part of the sentence on line 3, page 178. It just knocks out a part of the sentence.

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

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

Mr. DULSKI. This is a misprint. It should be to the end of line 13.

Mr. CORBETT. Then it would take out all the differential we wrote in in the committee on the supervisors' salaries.

Mr. DULSKI. That is correct.

Mr. CORBETT. I believe that is not the intent of the gentleman.

If the amendment were redrafted, it could be submitted later. I can agree with the amendment, but not just striking out the supervisor differential, which I am afraid would happen. We cannot make out for sure just what the amendment would do.

Mr. PURCELL. The intent of the amendment is to affect only the area wage negotiations, not to affect or change the supervisory provisions we did put in the bill.

AMENDMENT OFFERED BY MR. CORBETT TO THE AMENDMENT OFFERED BY MR. PURCELL

Mr. CORBETT. That has to be awfully clear, so, Mr. Chairman, I should like to offer an amendment to the amendment, so that the amendment will just extend to the period on line 2 and leave the rest of the section alone. That would accomplish the gentleman's purpose.

The CHAIRMAN. The Clerk will report the amendment to the amendment offered by the gentleman from Pennsylvania.

The Clerk read as follows:

Amendment offered by Mr. CORBETT to the amendment offered by Mr. PURCELL: On page 177, delete lines 19 through 24, and on page 178, delete line 1 and through the period in line 2.

Mr. CORBETT. That is correct.

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

Mr. CORBETT. I yield to the gentleman from Arizona.

Mr. UDALL. That was my understanding of what the gentleman from Texas intended to do. For my purpose, I would certainly support the gentleman's amendment.

Mr. CORBETT. Does the gentleman not agree that this would make it absolutely clear?

Mr. UDALL. Yes.

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

Mr. CORBETT. I yield to the gentleman from Illinois.

Mr. DERWINSKI. Perhaps we could clarify this merely by having the gentleman from Texas accept the amendment.

Mr. PURCELL. So far as I am concerned, I do accept the amendment, because the intent was to do what we have now stated we are all trying to do.

I accept the amendment, and, Mr. Chairman, I ask unanimous consent that the deletion of lines end at the period on line 2, as referred to by the gentleman in his amendment.

The CHAIRMAN. Without objection, the amendment offered by the gentleman from Texas (Mr. PURCELL) will be modified accordingly.

There was no objection.

Mr. DERWINSKI. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, while area wages are a proper subject for collective bargaining, it would be unwise to require by law, as the committee bill does, that wages be negotiated on an area-by-area basis. The larger employee organizations have historically opposed area wages, and while this policy may well change in time, any such change should be determined by those most directly affected.

This amendment corrects this flaw in the committee bill by establishing the policy of comparability for both compensation and benefits and by permitting this policy to be carried out on an area-by-area basis consistent with the collective bargaining provisions of the act. The language of the amendment provides the flexibility which is necessary in collective bargaining. I fully support the principle of area wages and feel that the language of the amendment will properly promote this principle under the new Postal Service.

SUBSTITUTE AMENDMENT OFFERED BY MR. GIBBONS FOR THE AMENDMENT OFFERED BY MR. PURCELL

Mr. GIBBONS. Mr. Chairman, I offer a substitute amendment for the pending amendment.

The Clerk read as follows:

Amendment offered by Mr. GIBBONS as a substitute for the amendment offered by Mr. PURCELL: On page 177, strike out line 19 and all that follows down through the period in line 2 on page 178 and insert in lieu thereof the following:

"It shall be the policy of the Postal Service to maintain compensation and benefits for all employees on a standard of comparability to the compensation and benefits paid for comparable levels of work in the private sector of the economy; but there shall not be established, for any position or class of positions under the Postal Service situated in any specific area or location, a rate of compensation (including premium compensation) which is higher than the rate of compensation (including premium compensation) for the same position or class of positions in any other specific area or location."

On page 192, immediately after the period in line 9, insert the following: "No such agreement shall contain any provision which establishes, for any position or class of positions under the Postal Service situated in any specific area or location, a rate of compensation (including premium compensation) which is higher than the rate of compensation (including premium compensation) for the same position or class of position in any other specific area or location."

Mr. GIBBONS. Mr. Chairman, I am sure you know and all know that I am not a member of this committee and perhaps I should be a little cautious about standing up here and amending this very complex piece of legislation, but

I do not think you have to be a member of this committee or that you have to be an expert in the post office operation to recognize one point, that is, this is really a very simple amendment.

This is an amendment that establishes the principle that for equal work you receive equal pay. It is an equal pay-equal work amendment. Wherever you live and wherever you reside in the United States we follow that great principle here in the U.S. Congress. We follow the principle in the U.S. Armed Forces. We follow that great principle in everything except in those jobs that are civilian jobs that mainly surround the military establishments that Mr. GONZALEZ talked about here where we have had so much trouble and where they discriminate as between the rates of pay for equal work.

All that this amendment of mine seeks to do is to establish the principle that no matter where an American citizen is employed and no matter what part of the United States he may live in, if he does the same kind of work and has the same kind of job for the same amount of hours, with the same amount of skill, he gets the same amount of pay.

That is what we ought to do. There should be no second-class area of this Nation. There should be no second-class citizens in this Nation. That is the only principle this amendment stands for.

If a person is not being paid adequately for the job, then the pay ought to be raised, but no matter what the job is it should receive equal pay anywhere in the United States. I know that there is some great American fiction that it is cheaper to live in some parts of the country than in others. I will explore that fiction, and while I do it let us try to destroy it as we go along.

One of the old pieces of fiction is that if you live in the South you can go out in your backyard and grow some sweet potatoes, a little corn, a little cotton, and take care of everything that you need. It just does not work that way. The citizens in my area cannot plow asphalt any better than the citizens in your area can. We buy the same cars that Detroit produces and we pay the same price or a little more where I live than the people in the North do. We buy the same meat and the same clothes and we all live in a common market. That is one of the things that have made this country great, that is, we have not had these artificial barriers of trade in restraint of trade. We ought to stick to this principle in this Congress that for equal work you receive equal pay no matter where that American lives in these 50 States.

I think the fundamental principle used in the amendment offered by the gentleman from Texas (Mr. PURCELL) is better than what the bill is based upon, but I believe mine goes further than that of the gentleman from Texas (Mr. PURCELL) and establishes the principle that for equal work, for an equal job, for an equal skill you get equal pay.

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

Mr. GIBBONS. I yield to the gentleman from Texas.

Mr. KAZEN. Mr. Chairman, I wish to commend the gentleman from Florida for

presenting this amendment, and wish to associate myself with the remarks made by the gentleman. I urge every Member here to support the gentleman's amendment.

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

Mr. GIBBONS. I yield to the gentleman from Florida.

Mr. PEPPER. Mr. Chairman, I wish to associate myself with my distinguished colleague, the gentleman from Florida, (Mr. GIBBONS). This is one Government, one country, and one people, and all our people should be treated alike by our Government when in the same category. We in the South for decades have fought against pay discrimination against our people. We are making progress against such discrimination.

I hope that we are not going to pass legislation to strangle that progress. I support the amendment offered by the gentleman from Florida (Mr. GIBBONS).

Mr. GROSS. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Florida (Mr. GIBBONS). Let me quote to you from the present law. In subchapter 1, "Pay Comparability," section 5301:

It is the policy of the Congress that federal pay fixing be based on the principles that (1) there be equal pay for substantially equal work, and pay distinctions be maintained in keeping with work and performance distinctions, and (2) federal pay rates shall be comparable with private enterprise pay rates for the same levels of work.

That is the present law.

I am opposed to the provision in the bill providing for area pay determinations and the Purcell amendment that makes it a little less worse. In the first place, that provision was put in this bill at the last minute before the bill was voted out. Never was there serious committee consideration of it in the hearings or in the committee markup of the bill.

Mr. WILLIAM D. FORD. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Michigan.

Mr. WILLIAM D. FORD. Mr. Chairman, with all due respect to what the gentleman from Iowa is now telling us, is it not a fact that the House committee put such a provision in the major pay bill in 1967?

Mr. GROSS. In the major pay bill?

Mr. WILLIAM D. FORD. The House did so. As a matter of fact, it was the Senate that took it out. In 1967 this House went on record overwhelmingly in favor of the concept of area-wage differential. In the bill there was an amendment offered by me, which was modified by the gentleman from Arizona (Mr. UDALL). The House adopted it by a 2-to-1 vote.

The gentleman is suggesting that this is a late afterthought of our committee. In our committee we have had extensive hearings and we have had an Assistant Postmaster General testify in favor of it.

Mr. GROSS. Just a minute. You did not have extensive hearings on the provision that went into this bill?

Mr. WILLIAM D. FORD. Well, no, that is true.

Mr. GROSS. All right, then.

Mr. WILLIAM D. FORD. On the specific language of this provision, we did not have extensive hearings. As a matter of fact, they played parliamentary games when this was put through the committee and they almost did not let us introduce it at all.

That is why we could not have debate on this and we could not discuss anything on this bill at that point.

Mr. GROSS. The gentleman will admit that this went into the bill almost at the last minute before the bill was reported out of the committee one evening.

Mr. WILLIAM D. FORD. That is correct. But, I disagree with the gentleman when he suggests that the committee has not considered the concept of area wages because this is not the first year that we considered it. We considered it several times and this House voted favorably on this principle.

Mr. GROSS. I ask the House in this instance and under the circumstances that exist to support the Gibbons amendment and stay with the law as we now have it until a wage formula can be worked out intelligently and reasonably.

Mr. HENDERSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I oppose the Gibbons substitute and support the amendment of the gentleman from Texas (Mr. PURCELL).

You have to understand what we are doing in this reorganization of the Post Office Department. With regards to employees' pay and fringe benefits, we are saying that this shall be set by negotiations between the employees, their organizations, and the new management.

It is true, historically, we have had area wages.

The bill, however, provides there must be area wages. In my opinion, the bill goes too far. The Gibbons amendment says that there cannot be negotiated area wages, and goes too far the other way.

By taking the amendment of the gentleman from Texas, area wages will be a negotiable item. If a majority of the workers through their organizations want to negotiate, then the management has the prerogative to decide whether it is in the best interest of the service, the users of the mail, and of the taxpayers; and they may negotiate area wages.

This gives them all the flexibility they need. It is in keeping with the theory of negotiation and those who would vigorously support the collective bargaining that is provided in this bill should certainly want great flexibility on the part of both management and of the employees to negotiate. The middle ground is provided by the Purcell amendment. I hope we will adopt his amendment and substitute it for the committee language.

We ought to vote down the Gibbons substitute.

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

Mr. HENDERSON. I yield to the gentleman from Virginia, a member of the committee.

Mr. SCOTT. I am fearful that the

people, who would have the most votes in the labor organizations from the metropolitan areas might dominate that decision—and question those who would look out for the country boys who do not have as many votes? Has the gentleman considered this phase of it.

Mr. HENDERSON. I certainly have. Of course, I know the gentleman recognizes that the district I represent is very similar to his, being a rural district. But I think we must look at what has happened recently and be realistic about the problems of the postal service.

I do not want to see area wages all over this Nation. But I think you need to give the management and the new postal system an opportunity to meet the problems as they arise in the metropolitan areas without disrupting, as I think the bill would do, all over the country.

I think the middle ground position is the best position that the House can take. We ought not to go to either extreme in my opinion.

Mr. SCOTT. How do you distinguish between area wages for post office employees and wages at the same scale throughout the country for all other white collar workers?

Mr. HENDERSON. I think there is a way. I am not one who wants to say that our people are not worth as much as others. But I think we are creating a new system, and the very essence of that new system is collective bargaining. A lot of Members, I feel, will vote against this entire package, primarily on that basis, but I am for postal reform and the general system as we have it in the bill. I think if we are going to have meaningful negotiations, we cannot tie their hands as to what they negotiate on. The committee bill states that it is not a negotiable item. It is a nonnegotiable item. I think if we really want good, meaningful, collective bargaining in the new service, we will adopt the Purcell amendment and not tie the hands of the new management of the Postal System.

Mr. CORBETT. Mr. Chairman, I rise in opposition to the substitute. As the gentleman from North Carolina has said, the substitute amendment would eliminate the possibility of negotiation, and that is exactly why the independent agency idea is being established. One of its purposes is to allow wages to be negotiated and, if need be, to go to binding arbitration. Under the system which the substitute would provide, that of comparability, would you compare with the high cost-of-living areas or the low cost-of-living areas? This issue must be subject to negotiation or we shall be in great trouble. Therefore, I strongly favor the Purcell amendment and strongly oppose the proposed substitute.

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

Mr. CORBETT. I yield to the gentleman from Florida.

Mr. GIBBONS. I am afraid the gentleman has not read my substitute amendment. My substitute would not strike out negotiations. It provides that when you negotiate, you have to negotiate for all Americans, and not merely for one of them in a city or one some place else. You have to treat them all alike.

Mr. CORBETT. I cannot yield further. The gentleman's amendment would result in maintaining the status quo. I did not read the gentleman's amendment, for I did not have a copy of it. However, I listened to what the gentleman said, and he said, "equal pay for equal work."

Mr. GIBBONS. That is right.

Mr. CORBETT. You did not say anything at all about the cost of living, and so on. Obviously it costs less to live in some parts of the country than it does in others. We have area wage boards for blue-collar workers now. The substitute does not impose area wage differentials. It merely makes them possible.

Mr. Chairman, I yield back the remainder of my time.

Mr. WILLIAM D. FORD. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN. The gentleman from Michigan is recognized.

Mr. WILLIAM D. FORD. Mr. Chairman, and members of the committee, I am surprised at Members reacting to this portion of the bill as if it were some new and extraordinary concept coming to the Federal Government. I know that all members of the Post Office and Civil Service Committee are aware of this concept. You noted that the gentleman who was using an example here a few moments ago was very careful to specify that he was drawing a contrast between the postal workers and "the other white-collar employees" of the Federal Government, because all of the blue-collar employees of the Federal Government are now under the system about which we are talking—800,000.

Mr. THOMPSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. WILLIAM D. FORD. Not at this time.

There are 800,000 people on Uncle Sam's payroll today, civilian employees, 80 percent of them working for the Defense Department, who are now working for wages that are set by wage boards, not on the basis of what the national level for a carpenter is, but on the basis of what a carpenter gets paid in any given area. A carpenter in Michigan, California, or New York does not get paid the same amount of money working for Uncle Sam as a carpenter working in Georgia or Alabama, if in fact the prevailing wage in the area of Alabama or within 50 miles of the installation upon which he works is substantially lower than the prevailing wage in the area in which he works in Michigan, California, or New York.

I might point out that in 1862 President Lincoln, if you please, whose Republicanism has not yet been attacked even by the gentleman from Georgia, was the one who put this policy into effect when he authorized the Secretary of the Navy to put all Navy civilian employees under this plan. Since 1862 in this country we have, in fact, and in spite of what my good friend from Florida says, been paying different wages in Michigan than we have been paying in Florida, if in fact there is a difference in the prevailing wages in those areas.

Mr. GIBBONS. Mr. Chairman, if the

gentleman will yield, I just want to remind the gentleman that in 1862 President Lincoln did not have any Navy employees in the South.

Mr. WILLIAM D. FORD. The gentleman has put his finger precisely on the point, but we are going to struggle to bring him back into the Union, kicking and screaming all the while.

Mr. GIBBONS. I hope when the gentleman brings us back in, he brings us back at the same rate of pay that all Americans get. I do not think anybody in any part of the country should be favored.

Mr. WILLIAM D. FORD. If the gentleman will help get rid of the right-to-work law in Florida so that a man can get a decent day's pay for a day's work, I will go along with the gentleman.

The CHAIRMAN. The Chair advises the guests in the gallery that under the rules of the House, no demonstrations—neither applause nor other forms of demonstrations—are permitted in the gallery.

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

Mr. WILLIAM D. FORD. I yield to the gentleman from Texas for another attack from below the Mason-Dixon line.

Mr. ROBERTS. If the gentleman is going to make this a self-supporting corporation, how is he going to adjust the price for stamps? If he pays the postal men \$5 an hour in one place and \$2 an hour in another place, how will the gentleman adjust the price of stamps?

Mr. WILLIAM D. FORD. Mr. Chairman, I would like to issue a warning about this bill, because the gentleman who recommended the creation of a Postal Corporation, Mr. Kappel, is on record with our committee as recommending exactly that sort of treatment of stamps. He says it should not cost the same to send a letter across the State of New York as it costs to send it across the country, and one thing the gentleman is going to have to watch for is a proposal that it would cost more to send a letter across the State of Texas than across the State of Rhode Island, because Texas is bigger.

Mr. CUNNINGHAM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this is really quite a serious matter. Since I have been a member of the committee for 14 years, this has come up periodically. I remember Congressman Katherine St. George, who was a member of the committee for many years, was trying to push for this area wage differential in the Post Office Department. The unions were always opposed to it, because they felt that a man in Podunk, Iowa, should be paid the same as a man in New York City under the theory of equal pay for equal work, and that is the way I feel about it.

I can accept either the amendment offered by the gentleman from Florida (Mr. GIBBONS), or the amendment offered by the gentleman from Texas (Mr. PURCELL), but I do not want to accept and I will vote against what is in the committee bill now, that makes the area-wage differential mandatory.

This is a very peculiar thing to have

such a fuss about. There are no other workers in the classified service who are paid a differential. If a stenographer works in Cedar Bluff, Nebr., at a certain grade, and another stenographer at that grade works in New York City, they both get the same pay. If a Congressman from Nebraska or a Congressman from California receive \$42,500 a year should there be a differential and a Congressman from New York City receive a sizable salary above \$42,500 a year. I think not.

Should there be such a differential between the salaries of Congressmen? Should we not all be paid the same? Do we not all work as hard?

We could extend this principle forever and ever and ever, and have great confusion.

I will say another thing. If we have a mandatory differential in pay among the various sections of the country we are likely to attract a large number of people into the big metropolitan centers, which are now having so many problems that they cannot solve them at this moment. There is a system of transfer within the Post Office Department where this could be accomplished.

So what are we going to do? We are going to have people flocking to the big major centers to get more money, perhaps, and we will just add to the urban problems.

I say that this differential should not be mandatory in the Post Office Department, as it is not mandatory or even considered in the classified service. It is not considered in the Congress of the United States.

We ought to stand on the principle of equal pay for equal work. I submit that a post office employee, in whichever grade he is, works just as hard in a little town in, say, the Midwest, the Far West or the South as does the same type of employee in a few large centers.

I could support either the Gibbons proposal or the Purcell proposal, but I personally feel I could more enthusiastically support the Gibbons proposal.

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

Mr. CUNNINGHAM. I yield to the gentleman from South Carolina.

Mr. WATSON. I want to commend the gentleman on a very fine statement and a compelling argument. Those who are interested in fairness I believe will follow the suggestion of the gentleman. I am happy to associate myself with the remarks of the gentleman in the well.

Mr. CUNNINGHAM. I might also add that when this came up before we learned it is almost an impossible task to try to divide and make a line as to whether to pay x numbers of dollars to an employee on this side of the line and a lesser amount to employees on the other side. One can never decide where the dividing line should be. It will cause all kinds of trouble and great loss of morale in the Post Office Department.

Mr. BRASCO. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, when the committee began its deliberations some 13 months ago there were two purposes in mind. One was to provide more efficient mail service for the American public on a

self-sustaining basis. The second was to break the economic chains that postal employees have been held in for so many years.

During the course of the deliberations in the Committee on Post Office and Civil Service the concept of the area wage came up not because it cost less to live in certain areas but because, as my good friend from Florida knows and as we have recognized on a national basis, it costs more to live in certain areas of our country, particularly in our large cities.

The pittance, the 8 percent we give in this bill, will be eaten up unless we can do something about it in terms of an area wage concept. That is why in New York City today more than 4,000 postal employees who are working full time are getting supplementary welfare checks, because it costs more to live in New York City.

That is why I vigorously oppose the amendment as suggested by the gentleman from Florida, because it would do away totally with the concept of area wage and would deny what we are trying to do in this legislation.

Now, with respect to the amendment offered by the gentleman from Texas (Mr. PURCELL), I have great friendship and great admiration for him.

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

Mr. BRASCO. Not at this point.

I suggest that his amendment does the same thing as the Gibbons amendment, because if we make the concept of area wages permissible, we do the following: We all know that we are dealing with national exclusive organizations that have to bargain for everyone they represent across the country. If we make it permissible, we put those labor organizations in a box so that they will never be able to come to the question of area wages because to do so would be to divide their organizations by area. That is why I oppose your amendment and suggest that the committee language making area wage concepts mandatory is the correct way to do this thing.

Furthermore, let me suggest this to the gentleman from North Carolina (Mr. HENDERSON). In our bill which we passed, the Wage Board bill, do we not make it mandatory to use this concept in connection with all other Federal employees? If that be so, then why should we again single out the postal employee and say that he is not entitled to what other Federal employees are entitled to?

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

Mr. BRASCO. Yes; I am glad to yield.

Mr. HENDERSON. Historically, since the late 1800's we have had a wage board system for Wage Board employees, principally in the Defense Department and first in the Department of the Navy. The Wage Board bill that we reported out was an attempt to improve that system. Historically in the postal service we have had uniform pay. We are going to a system now that will provide basically for wages and benefits to be set by collective bargaining. So you have an entirely different situation here.

Mr. BRASCO. Except that people cannot eat history. If it is mandatory on the

area wage in connection with all other Federal employees, notwithstanding the concept of collective bargaining for postal employees now, it should be mandatory with respect to them.

Let me conclude by saying this: On a different basis, do we not have differentials in pay for postmasters of first-, second-, and third-class post offices doing the same work? We know it is on a different principle. It is not on cost of living. But they are doing the same work. However, based on the size of the post office they are getting a different rate of pay. Is that not a concept already in being?

Mr. HENDERSON. Will the gentleman yield further?

Mr. BRASCO. Yes. I yield.

Mr. HENDERSON. It is a concept that is based on the size of the office.

Mr. BRASCO. What would be the difference, then, in allowing that concept to prevail predicated on the cost of living?

Mr. HENDERSON. If the gentleman will yield further?

Mr. BRASCO. Yes.

Mr. HENDERSON. It is an entirely different proposition as I see it. Will the gentleman yield to let me ask him a question?

Mr. BRASCO. Certainly.

Mr. HENDERSON. It is true that the wage board system provides that if a differential exists, they can recognize it, but there is no collective bargaining on wages or benefits under the present system, nor would it be permitted under the bill that we reported. Is that not correct?

Mr. BRASCO. That is correct except for this: Do you not understand that when we have the several national organizations involved in collective bargaining there is going to be a restraint from within their own organizations effectively to deal with this question of area wages, because the same president is going to represent the letter carriers, the clerks, and the mail handlers all across the country? Unless we give him the mandate in this bill that it must be done because the Congress in its wisdom understands the problem, I do not believe that it will be done.

Mr. HENDERSON. Will the gentleman yield further?

Mr. BRASCO. Yes; I will yield.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BRASCO. Mr. Chairman, I urge the committee to vote down both amendments.

Mr. ZWACH. Mr. Chairman, I rise in support of the Gibbons amendment.

Mr. Chairman, we are talking about a very fundamental principle here. You know what is happening in our country. We are stacking more and more and more of our people in less and less of our land. We are committing suicide in our country by this type of a policy. We are causing tremendous problems in the countryside and causing tremendous problems in our metropolitan areas.

Wage differentials are a basic cause, a major cause, perhaps the main cause of this type of a problem. To accentuate that problem by paying more in some areas for the same kind of work is totally unacceptable.

Let us say a man works for his Government for his lifetime and then comes his age of retirement. The man in the city has built up more of a retirement than the one in the country. The man in the country wants to live in the city in his old age, or the man in the city wants to retire to the countryside in his old age. We are setting up inequities here, injustices, making second-class citizens of people, that just must not be established. That is a principle which is basic and fundamental.

Mr. ANDREWS of North Dakota. Mr. Chairman, will the gentleman yield?

Mr. ZWACH. I yield to the gentleman from North Dakota.

Mr. ANDREWS of North Dakota. Mr. Chairman, I want to commend my good friend, the gentleman from Minnesota, for the contribution he has made, and to join with the gentleman in what he has said. He is a farmer himself and knows the needs of our rural areas and small towns.

I would like to add one additional thought. Today in America we hear a lot about equal rights, and the importance of treating people equally. What is more equitable than equal pay for equal work? If a man is carrying the mail in a small town he is working just as long hours as the man who is carrying the mail in a large city, and he should get the same pay for it. When his family is ill, he must pay as much at the drugstore for medicine as his city cousin—if his children go to college they do not get reduced tuition.

Again I commend my good friend and support his argument.

Mr. ZWACH. Mr. Chairman, I thank the gentleman for his contribution.

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

Mr. ZWACH. I yield to the gentleman from Nebraska.

Mr. CUNNINGHAM. Mr. Chairman, there probably are not more than a dozen large cities that would benefit from this being mandatory, but the vast majority of the other Members of the House representing smaller communities and should be opposed to such mandatory area wage rates.

I would say to those Members outside of the large eastern cities that if they should vote against either the amendment offered by the gentleman from Florida (Mr. GIBBONS) or the amendment offered by the gentleman from Texas (Mr. PURCELL) that when they go home they are going to be in deep trouble with their postal employees.

Mr. ZWACH. Would not the gentleman agree that the way to attack the problem is not to accentuate the problems of our country, but to try to bring about more equality in the cost of living, which I certainly believe can be done, rather than to build up further inequities and accentuate further the problems of countryside America, and city America?

Mr. CUNNINGHAM. I agree with the gentleman.

Mr. ZWACH. Mr. Chairman, I yield back the balance of my time.

Mr. DULSKI. Mr. Chairman, I think we have had a full discussion on this subject, and I wonder if we can fix a time limit?

Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close at 1:15 p.m.

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

Mr. THOMPSON of Georgia. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

MOTION OFFERED BY MR. DULSKI

Mr. DULSKI. Mr. Chairman, I move that all debate on the amendment offered by the gentleman from Texas (Mr. PURCELL) and all amendments thereto, close at 1:20 p.m.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia (Mr. THOMPSON).

PARLIAMENTARY INQUIRY

Mr. THOMPSON of Georgia. Mr. Chairman, I would like to propound a parliamentary inquiry before taking my time.

The CHAIRMAN. The gentleman will state the parliamentary inquiry.

Mr. THOMPSON of Georgia. Mr. Chairman, as I understand the present posture that we are in, we have the Purcell amendment amended by the Corbett amendment. Then there was a substitute for that by the gentleman from Florida (Mr. GIBBONS); is that correct?

The CHAIRMAN. The gentleman is correct.

Mr. THOMPSON of Georgia. The Corbett amendment does not apply to the Gibbons amendment.

The CHAIRMAN. The Corbett amendment was an amendment to the Purcell amendment.

Mr. THOMPSON of Georgia. Mr. Chairman, I have an amendment at the desk which does to the Gibbons amendment the same that the Corbett amendment did to the Purcell amendment. Is that in order at this time?

The CHAIRMAN. If it is an amendment to the substitute, it is in order.

Mr. THOMPSON of Georgia. It is, Mr. Chairman.

The CHAIRMAN. Does the gentleman offer the amendment?

AMENDMENT OFFERED BY MR. THOMPSON OF GEORGIA TO THE SUBSTITUTE AMENDMENT OFFERED BY MR. GIBBONS

Mr. THOMPSON of Georgia. Mr. Chairman, I offer an amendment to the substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. THOMPSON of Georgia to the substitute amendment offered by Mr. GIBBONS: After the second paragraph insert: "It shall further be the policy of the Postal Service to provide adequate and reasonable differentials in rates of pay between employees in the clerk and carrier grades in the line work force and supervisory and managerial employees. The Postal Service shall, in carrying out this policy, fix salary levels for the type of first line supervisors now in PFS 7 at a level which is not less than a level approximately as much higher as their rates of pay now exceed those in present grade PFS 5. There shall be appropriate and reasonable differentials between PFS 7 and 8 and between all higher grades similar to those in effect on the day immediately before the date of enactment of this section."

POINT OF ORDER

Mr. GIBBONS. Mr. Chairman, a point of order. The gentleman is amending something in mine that mine does not touch at all. He is trying to amend something that mine does not touch at all.

The CHAIRMAN. The gentleman has offered an amendment to the substitute amendment.

Mr. GIBBONS. Yes, sir; but he is trying to amend my substitute with something that is not germane. My substitute does not even touch that—I leave it alone.

The CHAIRMAN. Is the gentleman raising a point of order as to the germaneness?

Mr. THOMPSON of Georgia. Mr. Chairman, may I be heard?

The CHAIRMAN. The gentleman is recognized.

Mr. THOMPSON of Georgia. Mr. Chairman, the language that I inserted is the language which was in the original section which was stricken. It does not affect the area wage. It does provide that the supervisors will, in effect, be paid a greater wage than will the letter carriers or clerks because of their responsibilities.

Inasmuch as it was in the original section, it certainly should be germane to any amendment to the original section.

The CHAIRMAN. The Chair is ready to rule.

The Chair has read the language in the amendment and also in the substitute and the language deals exactly with the same section of the bill and touches on the same subjects.

Therefore, the Chair overrules the point of order.

Mr. GIBBONS. Mr. Chairman, I will accept the amendment if there is no argument about the situation.

The CHAIRMAN. Without objection, the amendment to the substitute amendment is accepted.

There was no objection.

Mr. THOMPSON of Georgia. Mr. Chairman, may I have time to speak before the Gibbons amendment is voted on?

The CHAIRMAN. The gentleman's time has expired. Time was limited by the committee.

The Chair recognizes the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Chairman, the whole issue has been blown out of proportion.

Please remember we are setting up a new postal service providing a labor-management vehicle heretofore unknown to the Federal service.

The language in the bill is mandatory. The Gibbons amendment is mandatory language. The Purcell amendment is the only language consistent with postal reform.

I urge the adoption of the Purcell amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin (Mr. STEIGER).

Mr. STEIGER of Wisconsin. Mr. Chairman, I ask unanimous consent that my time be yielded to the gentleman from Illinois (Mr. DERWINSKI).

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. DERWINSKI. Mr. Chairman, I reemphasize the only language now before us that is consistent with the entire intent of this legislation is the Purcell amendment. I suggest we vote down the Gibbons amendment and support the Purcell amendment.

Mr. STEIGER of Wisconsin. Mr. Chairman, I support the Purcell amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana (Mr. WAGGONER).

Mr. WAGGONER. Mr. Chairman, the debate on this amendment has been rather illuminating. I think the debate illustrates that the rural areas in general, and the South in particular, afford better opportunities for better living at a cheaper wage than do other areas of the country. Perhaps that is the reason people are tiring of living in such places and are moving to the South. We all know that those who retire always move South never North. We have plenty of room for these people who think that living costs are too much up North. Mr. Chairman, I support the Gibbons equal pay for equal work substitute.

The CHAIRMAN. The Chair recognizes the gentleman from Nebraska (Mr. CUNNINGHAM).

Mr. CUNNINGHAM. Mr. Chairman, with no reflection intended, this is a very difficult discussion for Members who are not on the committee perhaps to really understand. But as I look around the Chamber, the majority of the Members I see represent rural areas and rural constituencies and small towns, and they ought to vote for the Gibbons amendment.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. HANLEY).

Mr. HANLEY. Mr. Chairman, I rise in support of the committee language. Certainly there is no fiction associated with the cost-of-living differential which prevails throughout our Nation. This has evidenced itself time and time again. For example, we have recognized it in connection with our national medical program. The criteria associated with that program have been based on the differential in our cost of living throughout the United States.

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

(By unanimous consent, Mr. OLSEN yielded his time to Mr. HANLEY.)

Mr. HANLEY. One of the great problems that has plagued our postal system has been its inability to recruit the quality of personnel it needs in the metropolitan areas of our country. For example, in the District of Columbia we are trying to compete with employment in the private sector, and as an example, the D.C. Transit Co. with open arms asks for new employees at \$6,800 a year. How can we compete with a lower wage scale?

The CHAIRMAN. The Chair recognizes the gentleman from Idaho (Mr. McCURE).

AMENDMENT OFFERED BY MR. McCURE TO THE AMENDMENT OFFERED BY MR. PURCELL

Mr. McCURE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McCLURE to the amendment offered by Mr. PURCELL: At the end of the second sentence, strike the period, insert a comma, and add "and such policy shall be based upon a uniform system of basic pay plus cost-of-living allowances."

The CHAIRMAN. The gentleman from Idaho is recognized.

Mr. McCLURE. Mr. Chairman, this amendment is necessary to guarantee equity to those people who retire after having served years with the Federal Government in the postal service. If they do not have this kind of basic salary, then their retirement benefits could vary regardless of where they live after retirement. The amendment would guarantee equity in the retirement years of the people who have served in the postal service.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Idaho (Mr. McCLURE), to the amendment offered by the gentleman from Texas (Mr. PURCELL).

The amendment to the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Arizona (Mr. UDALL).

Mr. UDALL. Mr. Chairman, the issue here is very simple: Do we want to have mandatory area wages as provided for in the committee bill; do we want to have no area wages at all, as provided in the Gibbons substitute; or do we want to do what the leaders of the committee on both sides have suggested: Let this new collective bargaining system work it out, and that system can do what the gentleman from Idaho (Mr. McCLURE), just suggested. It can do any number of things. It will have that flexibility to put a sensible area wage system into effect if it can be justified.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. LUKENS).

(By unanimous consent, Mr. LUKENS yielded his time to Mr. McCLURE.)

Mr. McCLURE. I thank the gentleman for yielding.

Mr. Chairman, I would hope that even though the amendment failed, there will be some legislative history made later that will guarantee this kind of equity which I think we are all seeking. It would be my purpose to build that legislative history. I rise in support of the Purcell amendment, but I do very strongly believe that we must avoid the possibility of a very grave injustice. The amendment of the gentleman from Texas (Mr. PURCELL), certainly does not require that injustice, but neither does it prohibit that result. I offered my amendment to his amendment to make certain that this possibility could be foreclosed. I speak, of course, of the very intolerable result which would follow from differentials in basic wages. A man working in New York could receive a higher basic wage than one in Wickenburg, Ariz. Following the retirement of both, they could live side by side with differing pensions, both arising from identical employment. I think this is so clearly inequitable that it could not stand. We should prevent it now.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. LOWENSTEIN).

Mr. LOWENSTEIN. Mr. Chairman, it is wonderful that so many gentlemen are concerned about uniform wages when it comes to postal employees. How we could use their help when we are trying to get the minimum wage raised to an adequate level. Or when we are trying to establish fair labor laws to protect the rights of workers equally everywhere in the United States. But at times like those, concern for uniform wages tends to be inaudible among many of these same gentlemen.

Meanwhile, we are confronted with a simple fact: The cost of living is very different in different parts of the country, and postal employees must live in different parts of the country if the mail is to be delivered in different parts of the country. Why, then, should postal employees, almost uniquely, be denied the right to be paid according to wage scales where they live?

I hope my friends who are protesting so vigorously today about pay being lower in some communities than in others, will emerge from this discussion determined to help raise wage levels to livable standards for textile workers in South Carolina and tenant farmers in Mississippi and for all who labor in this prosperous land. As the wages in these occupations rise toward the national level so will the prosperity of their communities, and soon area wage differences will fade. But at this point, let it be clear that we do no injustice to postal employees anywhere when we insist that postal employees everywhere be paid enough to live decently wherever they may happen to be serving the public.

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. GONZALEZ).

Mr. GONZALEZ. Mr. Chairman, I am afraid that the workers and some Members of this Congress have been duped, because they have not taken the fruits of the experience we have had over the years with the wage board determinations. They talk about the blessings of collective bargaining in this new bill, when the truth of the matter is this is not true collective bargaining, because they are talking about binding negotiations.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan (Mr. WILLIAM D. FORD).

Mr. WILLIAM D. FORD. Mr. Chairman, I think it is important that we realize that the Gibbons substitute amends the present law which has, for a number of years, authorized the Civil Service Commission to establish differentials in pay for the purpose of meeting the need of recruiting employees.

If we turn away for a moment from this question from the point of view of the employee and think about it for a moment from the management point of view, we must realize that management is being asked in New York City to run a postal service which is having its burdens increased every single day, while they must compete with everybody else to get the people who are going to work

for the post office. We should not make the postal service take what is left over when everybody else has had his pick.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. DON H. CLAUSEN).

Mr. DON H. CLAUSEN. Mr. Chairman, I rise in support of the Purcell amendment primarily to focus attention on the need to maintain a standard of comparability in compensation and benefit structure, that compares favorably with comparable levels of work in private sector employment.

Many of these dedicated postal service career employees have literally given their lives to the service of their neighbors and their country. They must be rewarded with the contemplated pay increase but they must also have the assurance that the policy of the postal service shall be written into law, clearly spelling out comparability factor requirements. This amendment purports to do this.

Further, it is my hope that a basic livable wage level will be established with the additional cost-of-living adjustment for select higher living cost areas also established in the compensation and benefit criteria. In this way, the retirement benefits will maintain their equality, while at the same time recognizing the living cost differentials that exist in the various sections of the country.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina (Mr. HENDERSON).

Mr. HENDERSON. Mr. Chairman, I urge that the Members vote down the Gibbons substitute and adopt the Purcell amendment. If we really believe in true collective bargaining in the postal system, the Purcell amendment would certainly restore it and insure that we accomplish this.

The other two positions are too extreme and would prevent meaningful negotiations.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. ADDABBO).

Mr. ADDABBO. Mr. Chairman, I rise in opposition to the pending amendments for we must have compulsory wage differential. I have urged this provision for over 10 years. The national unions have not been able to accomplish it. The Post Office deficit has been added to as a result of the fact that we have not been able to obtain help in the high cost of living areas because of the lower postal wages prevailing in those areas and has resulted in constant turnover and this tremendous wasteful cost.

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. PURCELL).

Mr. PURCELL. Mr. Chairman, I would just like to point out there has been nothing in what has been said by the Members of the Post Office and Civil Service Committee today that would not insure the collective bargaining between employees and management in all areas.

On the other hand, those people in the low-wage areas have cheaper living costs, and we are not being fair when

we say there should not be some differential made. This is not a popular stand to take, but if the Post Office is to be run efficiently, we must have this.

The CHAIRMAN. The Chair recognizes the gentleman from Florida (Mr. GIBBONS).

Mr. GIBBONS. Mr. Chairman, I rise in support of my equal-pay-for-equal-work amendment. We apply that principle to all Federal employees except a few who are vastly and harmfully discriminated against who work under the so-called Wage Board contract employment. It is a bad principle for them, and we should not extend it to other people.

My amendment will still allow collective bargaining, but I want that union when it bargains for one set of people to bargain for all the sets of people regardless of where they live.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. BRASCO).

Mr. BRASCO. Mr. Chairman, I rise in opposition to both the Gibbons and the Purcell amendments. I think both of them do the very same thing and effectively kill off the concept of area bargaining.

What we would do is have the ironic situation that the Federal employees under the Wage Board schedule would have the concept of area wage, but the postal employees again would be segregated and would be dealt a severe blow by saying they would first have to collectively bargain for the concept of area wage.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. DULSKI), to close debate on the amendments.

Mr. DULSKI. Mr. Chairman, I requested an open rule from the Rules Committee. Today the House is working its will.

I am opposed both to the Gibbons amendment and to the Purcell amendment. I feel that the language in the bill as reported is satisfactory.

PREFERENTIAL MOTION OFFERED BY MR. THOMPSON OF GEORGIA

Mr. THOMPSON of Georgia. Mr. Chairman, I offer a preferential motion. The Clerk read as follows:

Mr. THOMPSON of Georgia moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. THOMPSON of Georgia. Mr. Chairman, I regret having to take this maneuver in order to obtain this time. I certainly hope that the Members will not vote in favor of this particular motion for the House to rise and to strike the enacting clause.

The subject we are considering today is something that does require extensive debate. It is simply a question as to whether or not we are going to have a fragmented country or a uniform country.

The gentleman from Florida quoted the phrase, "equal pay for equal work." This certainly is the question, equal pay for equal work.

Mr. DERWINSKI. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. DERWINSKI. Mr. Chairman, I make the point of order that the gentleman is not directing his remarks to his amendment.

The CHAIRMAN. The gentleman from Georgia has offered a motion to strike out the enacting clause. Therefore, the gentleman may speak on the whole bill.

Mr. THOMPSON of Georgia. Mr. Chairman, I will direct my remarks toward the amendment.

I should like to say this: Members should vote to strike the enacting clause if they intend to be unfair to any postal workers in the rural areas of this country by refusing to pay the postal workers in the rural areas of this country the same wages they would pay them in any other area.

I believe the Members should vote to strike the enacting clause if they do not intend to treat all Americans the same or to treat them fairly.

I believe the Members should vote to strike the enacting clause if they do not recognize that it costs a man in rural America as much money to buy an automobile as it costs a man to do so in Detroit, Mich.

Why should Members vote to strike the enacting clause? They should vote to strike the enacting clause if they feel that there is going to be discrimination evidenced against the workers in the rural areas.

Yes, this is a question of equal pay. I am sick and tired of people in the South and in other sections of the country receiving lower wages. I do not support the Wage Board concept. I should like to see that changed, because I want the people in my section of the country to receive the same wages, whether they are doing blue-collar work or white-collar work, or whatever it is, as are received in any other area of the country.

The gentleman from Minnesota made a very telling point when he said that the problems of the cities are being accentuated by people moving to the cities because of higher wages paid there. We can help to solve some of the urban problems if we will insist that equal wages be paid throughout the country for equal work. Then perhaps some of the people will migrate to the rural areas rather than to the urban areas.

Mr. Chairman, I yield back the remainder of my time.

Mr. CORBETT. Mr. Chairman, I rise in opposition to the preferential motion. Mr. Chairman, I yield back my time.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Georgia (Mr. THOMPSON).

The preferential motion was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. GIBBONS) as amended, as a substitute for the amendment offered by the gentleman from Texas (Mr. PURCELL).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. GIBBONS. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. GIBBONS and Mr. DULSKI.

The committee divided, and the tellers reported that there were—ayes 67, noes 124.

So the substitute amendment, as amended, was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. PURCELL), as modified.

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. DULSKI. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. PURCELL and Mr. DULSKI.

The committee again divided, and the tellers reported that there were—ayes 120, noes 59.

So the amendment, as modified, was agreed to.

AMENDMENT OFFERED BY MR. DERWINSKI

Mr. DERWINSKI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DERWINSKI: Strike all beginning on line 10, page 184 through line 4, page 186, and insert in lieu thereof—

"(b) The Postal Service shall recognize an organization of supervisors that represents a majority of supervisory personnel. The organization of supervisors may include officers and employees who are not subject to collective-bargaining agreements under subchapter II of chapter 2 of this title. The organization shall have the right to participate directly in consultation with the Postal Service concerning matters affecting the responsibilities and conditions of employment of supervisory personnel.

"(c) It shall be the policy of the Postal Service to provide compensation, working conditions, and career opportunities that will assure the attraction and retention of qualified and capable supervisory personnel and to establish and continuously maintain a program for all supervisory personnel that reflects the essential importance of a well-trained and well-motivated supervisory force to the effectiveness of postal operations and that promotes the leadership status of the supervisor in respect to rank-and-file employees, recognizing that the supervisor's role in primary level management is particularly vital to the process of converting general postal policies into successful postal operations."

Strike all beginning with the word "The" on line 6, page 178, through line 13, page 178.

Mr. DERWINSKI. Mr. Chairman, this amendment corrects a very serious mistake in the bill as reported out of committee. Subsections 208 (b) through (e) of the bill come very close to requiring collective bargaining, in effect, between postal supervisors on the one hand and top management of the postal service on the other. Such a requirement flies in the face of almost all labor relations experience and judgement in the non-Government sector. It is thoroughly inconsistent with the National Labor Relations Act as amended, which generally is to govern postal labor relations under this bill. It would constitute a major step backwards from Executive Order 11491, which has delineated supervisors as a part of management and treats them as such. But worst of all, it contradicts and might even foredoom to failure what is perhaps the most important single purpose of this historic

postal reform legislation—that is, to provide for truly effective management in the postal service. If the postal service is to be managed well, it must be understood by all concerned that supervisors are a highly important—in some ways the most important—part of effective management. They are front line of management. And the success of the new organization turns in no small part on their being recognized as such. It would be seriously, if not fatally damaging to this concept to require the postal service to negotiate what would amount to a collective bargaining agreement with a supervisors' organization because the negotiation process would tend to polarize the interests of the supervisors and those of higher echelons, instead of bringing them together.

Nevertheless, it is of the utmost importance to the success of the new postal service that there be a well-trained and well-motivated supervisory force, for the supervisors' role is absolutely essential to the process of converting broad postal policies into successful day-to-day postal operations. This amendment recognizes this fact. It makes it a matter of basic postal policy for the postal service to establish compensation policies and conditions of employment that reflect the importance of a dedicated and effective supervisory force characterized by high motivation and high morale. It provides for assured implementation of this policy by requiring recognition for a supervisors' organization, which shall have the right to participate directly in consultation with the postal service concerning all matters affecting the responsibilities and conditions of employment of supervisory personnel.

In sum, this amendment replaces seriously disruptive provisions with affirmative assurances of a sound and beneficent policy for postal supervisors.

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

The CHAIRMAN. The gentleman is recognized.

Mr. HANLEY. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Illinois and in support of the committee language. Throughout the proceedings in this committee there has been some misunderstanding with respect to the exact role of supervisory personnel in our postal establishment. We gave a great deal of attention to this subject, and the committee in its wisdom built into the legislation the provision we are now debating.

Supervisory personnel are not management in the sense that we know management in the private sector. They are not policymakers. They are not decision-makers. They merely implement the mandate of executive management in the postal field service. All this organization seeks, or all the supervisors seek is the ability to retain their association of 55,000 supervisors throughout the system, evidencing their interest in this matter through their membership. They do not ask for any more than they have presently, and they would prefer that any privileges that they presently have be not taken away from them through this legislation. This is exactly what the

intent of the committee was when it prepared the language associated with this part of the bill.

So in essence they are getting no more than they presently have and, hopefully, they are not going to have any less.

To support the gentleman from Illinois, you would be taking away from them this privilege. Let us give some attention to the important role that these people play in the postal system. Through their ambition and through their initiative they have risen in the ranks to supervisory level. They are not asking for anything more than they should get. So I would hope very much that the ability to be cohesive will not be destroyed by deleting from this legislation the language which the committee has included in the bill.

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

Mr. HANLEY. I yield to the gentleman from Pennsylvania.

Mr. CORBETT. The gentleman has made an excellent statement. I wonder if he would agree that if this amendment is adopted, it would in effect destroy the supervisors' organization by taking away from them the right to bargain?

Mr. HANLEY. The gentleman from Pennsylvania is absolutely correct. The effect of the gentleman's amendment would simply put that association out of business—I should not use the description "simply." It would put the association out of business, and I do not think that that would be the intent of any Member here today.

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

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

Mr. GROSS. I commend the gentleman for his statement, and I join him in opposition to the amendment.

Mr. HANLEY. I thank the gentleman.

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

Mr. HANLEY. I yield to my colleague from New York.

Mr. BRASCO. I also would like to commend the gentleman on his statement and rise in opposition to the amendment.

Mr. HANLEY. I thank the gentleman again. I ask that you vote down the amendment of the gentleman from Illinois and support the committee language.

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

Mr. Chairman, this is an important amendment. It goes to the heart of what we are trying to do in this reform bill.

As Postmaster General, Larry O'Brien originally made the proposal that started us down this track. One of the things he said was that management does not have the tools to manage.

The supervisors are wonderful people. The supervisors have a whole corps to supervise, from 8 to 10 or up to 200 clerks and carriers in the postal service. They have always had a very close relationship with the Congress. In fact, most of the Democrats know several supervisors whose appointment or promotion they have recommended and have participated in.

In the past the supervisors have always

looked to Congress for protection. Congress has helped them. Historically when we have had pay bills, there has been pressure to take all of the money that was available and give it to the lower-pay clerks and carriers and not to give it to management or the supervisory people.

Now it is contemplated we will have a new system, and the clerks and carriers will be protected by collective bargaining. It is felt and believed, and I believe, that unless the supervisors are made part of management, unless they look to management for their protection and not to the unions—which is what they have been doing in the past—we are going to really cripple and tie the hands of management.

Under the committee bill, if we are trying to run this post office, we would have to have what is the equivalent of collective bargaining with our own supervisors and foremen and managers. We would have to have it under the committee bill. Our own supervisors would be organized and coming in and demanding things of management.

I respect the supervisors. I have worked closely with them. I authored the provision that is now in the bill as a substitute for what was originally proposed, but it seems to me we can give management the tools in this new organization to really do the job and to really manage and to have supervisors as part of management, we will not have a really workable system. So I urge that the amendment be enacted. I urge support for it.

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

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

Mr. HANLEY. Mr. Chairman, the gentleman has suggested it would allow collective bargaining for supervisors. Can he explain that? I stated it absolutely does not.

Mr. UDALL. No; I said that it allows something close to collective bargaining. We set up in the committee bill a three-man panel who could take up grievances and report back to the Postmaster General on those grievances.

Mr. HANLEY. But in no sense is this collective bargaining per se. I am setting the record straight.

Mr. UDALL. It is not collective bargaining. I did not intend to leave that impression.

Let me state clearly—the supervisors under the amendment—let me say we have written in the bill a salary differential, and we have said for the supervisors—"you shall have a differential in pay," so we will not have the ridiculous position of the supervisors getting less than the men they supervise. It says in the event a supervisory organization shall exist and it shall be recognized and shall have consultation rights, the Postmaster General shall work with the supervisors. We have also provided in the bill for a voluntary dues check off, so the supervisors' organization will not go out of business, and it will continue to exist, but they will look fundamentally to management for protection with fundamental rights underwritten in the bill. I think

this is the way to treat these fine gentlemen who serve as supervisors, and we should not have the language that is in the committee bill.

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

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

Mr. GROSS. Mr. Chairman, is the gentleman for the amendment suggested by the gentleman from Illinois?

Mr. UDALL. When I arose, I said I support the Derwinski amendment. I think it is sound and it does the things we want.

Mr. GROSS. And the gentleman now disavows what he put in the committee bill?

Mr. UDALL. I think this is a far better way to treat the supervisors, and in totality with what we have done with other amendments, I think this is a better way to treat them.

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

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

Mr. HANLEY. Mr. Chairman, have we not already in the bill denied the supervisors the compression privileges which we have for all the other grades in the service? We cut them off at level 6 which in itself will be deterring ambition.

Mr. UDALL. We do not provide specifically for their compression, but we say to the Postmaster General that he shall always have a reasonable and meaningful differential between the working people, between what they get, and what the supervisor gets.

Mr. GROSS. Mr. Chairman, I move to strike the necessary number of words.

Mr. Chairman, I am becoming more impressed with the versatility of the gentleman from Arizona (Mr. UDALL) and of the gentleman from Illinois (Mr. DERWINSKI). They were prepared to substitute a bill, the Udall-Derwinski bill, at the outset of the amending procedure. This was rejected out of hand by an overwhelming vote of the House.

Now today we see the Derwinski-Udall amendment offered here, and we have the added attraction of the gentleman from Arizona (Mr. UDALL) repudiating the provision that he put in the committee bill pending before the committee only a few weeks ago.

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

Mr. GROSS. Surely. I yield to the gentleman from Arizona.

Mr. UDALL. The gentleman gave us some advice on Tuesday. He said, "Do not bring in this package; we do not want to consider the package."

Mr. GROSS. And the House agreed with me, did it not?

Mr. UDALL. It did, by a substantial margin.

Mr. GROSS. Or I agreed with the House.

Mr. UDALL. I am still licking my wounds. I hope the gentleman feels sorry for me.

Mr. GROSS. I will be glad to provide a little liniment or salve for the gentleman.

Mr. UDALL. Anything suggested might be helpful.

The gentleman suggested that we come

in with amendments in separate form and offer them one at a time. Now we are castigated for trying to change the bill.

Mr. GROSS. No. I am just admiring the versatility of the Udall-Derwinski combine.

Mr. UDALL. I learned this in the Committee on Post Office and Civil Service at the gentleman's knee. He has taught me much of what I know.

Mr. GROSS. I do not know that I have had any hyphenated associations with the gentleman up to this point.

Let me say this: Now that we are reviewing a bit of history, I can remember that January day in 1970 when the distinguished gentleman from Arizona (Mr. UDALL) threw up his hands, when the committee rejected the offer he had to make from the Postmaster General. He threw up his hands and said, "I am through. This ends it."

But lo and behold, he tried in June to hand us another bill on the House floor.

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

Mr. GROSS. Of course, I yield to the gentleman from Arizona.

Mr. UDALL. Hope springs eternal, and we all rebound from defeats.

The Postmaster General came to me. The postal clerks and carriers said, "Will you please make another try?" The mail users of America came in and said, "We need postal reform."

So I went back on my word and I brought in another bill. Maybe this will be the last one. Maybe we can complete action.

Mr. GROSS. I am glad the gentleman inserted "maybe."

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

Mr. GROSS. I yield to the gentleman from Illinois.

Mr. DERWINSKI. I want the gentleman to know that I accept with all the emotion I have his description of the gentleman from Arizona (Mr. UDALL) and myself as being men of versatility.

Mr. GROSS. What now concerns me is which one is speaking for the Postmaster General.

Mr. DERWINSKI. Both of us.

The point we wish to make is, if we are that versatile, perhaps the gentleman might see his way clear to support this amendment.

We are trying to provide something for which the committee has striven for a year and a half. This is management responsibility. The supervisor is the key to effective management of the postal service.

Consistent with the views of the administration and the postal unions, we offer this amendment from our substitute. If the Members will adopt this we will improve the bill.

Mr. GROSS. The distinguished gentleman from Illinois is in rare form this afternoon.

Again, I have been waiting with bated breath to see one or the other of these distinguished gentlemen introduce the postal rate increase bill that has been kicking around, but somehow or other the administration has not yet found a taker for that one.

Mr. Chairman, I hope that the amendment will be defeated.

Mr. GONZALEZ. Mr. Chairman, I move to strike the necessary number of words.

Mr. Chairman, I rise to ask some questions of the distinguished gentleman from the committee who is the author of the pending amendment, Mr. DERWINSKI.

As I understand from reading the bill, the postal supervisors under its terms would have a right to organize.

It would have the right to process certain procedures such as fringe benefits, except pay, under the terms of the bill. Except pay. Is that correct?

Mr. DERWINSKI. I would rather direct my remarks to the amendment, because that is the issue before us. The amendment specifically states that this organization which is set up would have the right to participate directly in consultation with the postal service on matters affecting the individuals of the supervisory personnel, and then the amendment goes on and provides that it shall be the policy of the postal service compensation, working conditions, and career opportunities that will attract and retain qualified and able personnel. I could say to the House it is the intention of the Postmaster General, in keeping with the concept of a team relationship of supervisors to the postal service, to consistently grant them, as a part of management, the equivalent increases in fringe benefits and compensation that will be negotiated by the official unions representing the rank and file postal employees.

Mr. GONZALEZ. In other words, your amendment modifies this exception of the pay that is in the language of the bill?

Mr. DERWINSKI. My amendment provides the basic philosophy whereby the supervisors who receive all of the association and the strength of being part of management in fulfilling their responsibilities and they are protected in the wage differential from the people they supervise by language in another section of the bill.

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

Mr. GONZALEZ. Yes. I yield to the gentleman, because I would like to have it clarified. I do not feel the answer was responsive. The bill says that the supervisors organization shall bargain with the postal system for everything except wages. How does this amendment change it?

Mr. UDALL. That particular point is not changed at all. Nothing in the bill or in the amendment would permit them to have collective bargaining on wages.

Mr. GONZALEZ. Not that I am against it, but I wanted to know before I voted on the amendment what the net effect would be, because further on it says after all of these procedures, if there is no agreement, that then a three-man committee shall be appointed and, if that prevails and the Postmaster General does not care to follow the recommendations of that committee, then all he does is report that back to the Congress.

Mr. UDALL. That is right.

Mr. GONZALEZ. And that is all.

Mr. UDALL. That is right. This was designed as a committee compromise to try to give the supervisors at least some tools by which they could take a strong grievance to this panel, which panel would report back to their boss, the Postmaster General.

Mr. GONZALEZ. All you are saying is you are giving them moral support and that is all.

Mr. UDALL. We are not giving them the collective bargaining and arbitration that the line employees have. That is neither in the committee bill nor in the amendment.

Mr. CORBETT. Mr. Chairman, I rise in opposition to the amendment.

I simply want to ask the gentleman from Illinois whether he knows what he said in his remarks, namely, that the supervisors should be very happy with his amendment. Does he know of any supervisors who support his amendment?

Mr. DERWINSKI. If the gentleman will yield, yes. To help clarify the situation, the gentleman will find that across the country rank and file supervisors have no particular objection. Yet their officers in Washington have a very predictable objection.

Mr. CORBETT. Can the gentleman give us any evidence of that? I have not talked to the supervisors across the country. When did the gentleman get this done?

Mr. DERWINSKI. I spoke to individual supervisors in post offices in my district and consulted with officials of the Post Office Department who spoke at conventions of supervisors, that rank-and-filewise there is no particular objection to what we hope to do in the postal service, but naturally the Washington officials of the supervisors have a predictable objection.

Mr. CORBETT. And are they the elected representatives of the supervisors? Who else are we going to believe?

Mr. DERWINSKI. We can believe the supervisors themselves.

Mr. CORBETT. I can make the opposite statement that the gentleman made, and I will tell him that the supervisors are very, very strongly against this particular amendment.

Mr. FULTON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. CORBETT. I yield to my colleague from Pennsylvania.

Mr. FULTON of Pennsylvania. Mr. Chairman, I join my colleague from Pennsylvania in opposition to the amendment. The trouble with the amendment is that the poor supervisors are at the bottom of the totem pole in management. They are a most worthy group of employees, and are represented by an outstanding organization, the National Association of Supervisors, and this relationship needs to be continued. Under the language of the amendment this would not be so.

Might I ask the gentleman from Arizona (Mr. UDALL) what he meant by the phrase that this is very close to collective bargaining? What is very close? What does the gentleman mean? I come from the city of Pittsburgh, and very

close to collective bargaining is not collective bargaining. It is something else.

What is it?

Mr. UDALL. Mr. Chairman, if the gentleman will yield, it is very clear that we do not give them collective bargaining, but we give them some consultation rights, some rights to sit down and present grievances.

I give them the right to exist as an organization.

So I say this is something close to collective bargaining, although it is not collective bargaining.

Mr. FULTON of Pennsylvania. The answer to it, then, is you give them the right for a talkfest, and yet no real rights otherwise. They can just be consulted, and if anybody wants to ignore them they can be ignored. Usually, with me I do not mind being ignored, but this seems to me to be giving opportunity to not even bothering to ignore them.

Mr. UDALL. If the gentleman will yield, does the gentleman think his administrative assistant ought to have collective bargaining rights in dealing with the gentleman? Does the gentleman know anywhere in private enterprise where supervisors are given collective bargaining?

Mr. CORBETT. Mr. Chairman, I have the floor. I want to say to the gentleman that the amendment as adopted by the committee is very satisfactory; it does not give collective bargaining rights for either.

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

Mr. CORBETT. I yield to the gentleman from Ohio.

Mr. LUKENS. Mr. Chairman, I thank the gentleman for yielding. I just simply want to go on record as supporting this amendment. I am sorry at this time that I cannot join my distinguished minority leader of the committee in support of his opposition to the amendment. I believe this amendment is necessary and justified. I would also like to associate myself with the remarks of the gentleman from Illinois (Mr. DERWINSKI) and say that in my opinion the majority of the postal supervisors in the State of Ohio do join in support of this concept.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HENDERSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Illinois (Mr. DERWINSKI). We have got a very difficult situation in here. There would be no debate whatsoever over this issue if you or I were starting a private corporation. Certainly we would expect the supervisors to be a part of management. But we want to recognize the historical role that the supervisors organization has had in the postal service. I know the postal supervisors and their national officers know that I have always been understanding of their problems and sympathetic to them. I expect to remain so. I believe that the majority of the Members of this House will take that same position, and regardless of what we write into the bill today the House committee and the full mem-

bership of the House are not going out of business. We will listen to the supervisors. They can come to us with their problems. And if this new organization does not work out then we will have to legislate more strenuously than I think we should at this time.

The present bill just goes too far, in my opinion, in extending the supervisors things they do not need, and perhaps should not have, certainly automatically by law, if they are a part of the management team—and they must be if we are to gain efficiency in the postal service, they have got to be brought into the management responsibility and really treated as a part of management. If they are going to participate in negotiations and discussions as a part of management then they should not be, in my opinion, guaranteed by law pay differentials for them, it seems to me, gives a built-in conflict of interest. If they know that whatever pay increases and other benefits the rank and file through their organizations are going to get, it seems to me that it would be very difficult to be completely openminded and impartial—and I know that they would want to be.

Now, if they are to be part of management in the field of negotiations, they must assume their responsibilities. But just as importantly and with all of the force at my command, I point out that management in the new system must treat the supervisors as management; they must give them the proper differential in pay and proper authority and back them up when they give them responsibility and truly make them essential parts of the management team.

I am just fearful that the committee language goes too far the other way. I believe that the Derwinski language will solve a very sticky problem. I believe that the new management will be challenged to make the supervisors far more a part of the management team than they have been in the past.

If we find that they are not being fairly treated and being given their proper role, then this Congress would be most sympathetic to respond and do something to correct the situation.

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

Mr. HENDERSON. I yield to the gentleman.

Mr. CORBETT. I just want to ask a question of the chairman. I wonder if the chairman would not consider, since we have gone over this so much in committee and here, that we could cut off debate on this amendment in 10 minutes or so?

Mr. DULSKI. I intend to do that.

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

Mr. HENDERSON. I am delighted to yield to the gentleman.

Mr. SCOTT. I have a mimeographed sheet here that was put out by the National Association of Postal Supervisors. It indicates that the National Association of Postal Supervisors has never been treated as management and are not treated as management now.

I think this is an important question. Does the gentleman agree with the National Association of Postal Super-

visors in this regard? Are they mistaken—that they are not a part of management?

Mr. HENDERSON. I am not satisfied and I have not been satisfied that they have been. In the new postal system they must be, if we are to have an efficient postal service and the line supervisors and the top supervisors are the people who really do the work.

If we are going to create this new and efficient service, the new management that comes in must give supervisors a proper role and status. I think if it does not happen, the Congress will legislate more stringent provisions.

Mr. DULSKI. Mr. Chairman, I ask unanimous consent that all debate on the amendment of the gentleman from Illinois (Mr. DERWINSKI), and all amendments thereto, end at 2:20 p.m.

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

There was no objection.

The CHAIRMAN. The Chair has noted the names of Members standing when the unanimous-consent request was agreed to, and will recognize Members for approximately 1½ minutes each.

The Chair recognizes the gentleman from Nebraska (Mr. CUNNINGHAM).

Mr. CUNNINGHAM. Mr. Chairman, I know the Congress has been lobbied extensively by the supervisors against this amendment. But I am convinced that they should be a part of management. If they have not been in the past, they should be in the future. I honestly believe they will be much better off.

We have heard a lot of talk which amounts to kicking the Postmaster General around. But I hear no talk of kicking Larry O'Brien around, whom I admire for his part in bringing about postal reform. I hear no talk of kicking the leaders of the seven exclusive postal unions around including the Carriers & Clerks, and other responsible people who are for this type of amendment.

So it is an awful lot of fun for some people to kick the present Postmaster General around, but not to kick these other people around because they are afraid, I presume, of the backlash they will get from them—because I am confident they are in favor of this amendment as it has been presented.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. BRASCO).

Mr. BRASCO. Mr. Chairman, I rise in opposition to the amendment. The concept that we have before the House today in the nature of postal reform is supposed to make management more efficient so that mail can be more efficiently delivered. It seems to me that management, in the nature of the postmaster should want to give to his field management, the supervisors, a vehicle by which they can make their voices heard in terms of getting more efficient management on both levels. Then the second half of the Derwinski amendment that would do away with the concept of wage differential, I suggest that when the amendment was adopted in the committee sponsored by the gentleman from Arizona (Mr. UDALL) who so

eloquently spoke about the divisiveness that is created among employees and supervisory personnel when the employee may be making more money than the supervisor, that there should be this wage differential.

It seems to me that the whole concept of the bill is a logical one and that Mr. Derwinski's amendment would do nothing but create havoc with a situation to which we are trying to bring some reasonable concept.

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. WHITE).

Mr. WHITE. Mr. Chairman, I rise in opposition to the amendment. Traditionally, supervisors have been classified as a group unto themselves, with their own rules and their own mode of operation. I think we would destroy a certain esprit if we should adopt the Derwinski amendment.

There are 30,000 to 32,000 supervisors in the postal service today. This provision of the bill goes only to negotiating their conditions. It does not go to other employees. It does not allow them to negotiate their wages. Without an opportunity to arbitrate their conditions, the supervisors would be in limbo. I therefore ask that the Derwinski amendment be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. HANLEY).

Mr. HANLEY. Mr. Chairman, I reiterate my opposition to the Derwinski amendment. I wish to make it very clear that in no sense of the word are we dealing with collective bargaining in this issue.

Again, let us assure ourselves that the supervisors are not to be compared with management in the private sector. So all we are providing for is the right of consultation. We are providing for the creation of a three-man board which will listen to their grievances and then make a recommendation to the Postmaster General.

So we are providing them with no more than they presently have, and hopefully no less than they should have. I ask that the Derwinski amendment be voted down.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. ANDERSON).

Mr. ANDERSON of Illinois. Mr. Chairman, I rise in support of the Derwinski amendment. If what the gentleman from New York (Mr. HANLEY) has just said is true, that all he wants is the right of consultation by this association, he need have no fear at all about the Derwinski amendment, because, as I read it—and I have it here before me—those are the very words that are in the language of this amendment, that they shall have the right to participate directly in consultation with the Postal Service concerning matters affecting terms and conditions of employment.

But if we then turn to the language of the committee bill, we find something quite different. It is something quite different from mere consultation. It says they shall have the right to participate directly with the Postal Service in the

formulation and implementation of the terms and conditions of employment. This is something far different, and I would submit that, as Mr. UDALL, the gentleman from Arizona, has said, there is absolutely no precedent for our completely commingling the rights of management and labor as they would be by the terms of the committee bill. What you would do, instead of having a single management team, I think you would very clearly be putting the Postmaster General and his field supervisors in an adversary position. This is certainly not the way to bring about the efficient reorganization of the Postal Service that we desire.

I think the amendment should be supported.

Mr. STEIGER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Wisconsin.

Mr. STEIGER of Wisconsin. I wish to associate myself with the remarks of the gentleman from Illinois. If we want to talk about the ability of the postal service to manage postal affairs, the only way we can do so effectively is to adopt the Derwinski amendment. I commend the gentleman from Illinois.

Mr. ANDERSON of Illinois. I thank the gentleman for his contribution.

The CHAIRMAN. The Chair recognizes the gentleman from Arizona (Mr. UDALL).

Mr. UDALL. Mr. Chairman, there are no finer people on earth than the 32,000 supervisors. They are apprehensive. They have always had to look to the Congress for protection. They are apprehensive about these new arrangements and where they are going to land. I want to assure you that if it does not work out as we represented it here today, if management does not accord to them the kind of rights they ought to have, I, for one, and I think every member of the committee, would join in doing something about it.

Let me emphasize that even in the substitute, the Derwinski substitute, we give the supervisors for this large operation something that almost no supervisors have in private industry. They will have the right to exist as an organization; they will have absolute, guaranteed statutory consultation rights on everything that affects them, and they will have a dues check off. I think this is adequate protection which will give us both the benefits of management being able to manage and yet protect the rights of these fine people in the supervisory organization.

Mr. Chairman, I urge support of the Derwinski amendment.

This amendment corrects an overemphasis in the bill as reported out of committee. Subsections 208 (b) through (e) of the bill come very close to requiring collective bargaining, in effect, between postal supervisors on the one hand and top management of the postal service on the other. Such a requirement flies in the face of almost all labor relations experience and judgment in the non-Government sector. It is thoroughly inconsistent with the National Labor Relations Act, as amended, which generally is to

govern postal labor relations under this bill. But worst of all, it contradicts what is perhaps the most important single purpose of this historic postal reform legislation—that is, to provide for truly effective management in the postal service. If the postal service is to be managed well, it must be understood by all concerned that supervisors are a highly important—in some ways the most important—part of effective management. They are the frontline of management. And the success of the new organization turns in no small part on their being recognized as such. The Derwinski amendment does exactly this. It would be seriously damaging to this concept to require the postal service to negotiate what would amount to a collective bargaining agreement with a supervisors' organization because the negotiation process would tend to polarize the interests of the supervisors and those of higher echelons, instead of bringing them together.

Nevertheless, it is of the utmost importance to the success of the new postal service that there be a well-trained and well-motivated supervisory force, for the supervisors' role is absolutely essential to the process of converting broad postal policies into successful day-to-day postal operations. This amendment recognizes this fact. It makes it a matter of basic postal policy for the postal service to establish compensation policies and conditions of employment that reflect the importance of a dedicated and effective supervisory force characterized of high motivation and high morale. It also requires recognition for a supervisors' organization, which shall have the right to participate directly in consultation with the postal service concerning all matters affecting the responsibilities and conditions of employment of supervisory personnel.

In sum, this amendment replaces seriously disruptive provisions with affirmative assurances of a sound and beneficial policy for postal supervisors.

Let me add that I intend to watch the new postal service closely as regards postal supervisors. If their treatment does not improve under this act, changes will be suggested by me. They can depend on this.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Chairman, let me emphasize this is a positive amendment. The purpose of it is to upgrade the relationship of the supervisors in relationship to management. It certainly is a departure from present procedure since what we are doing is to upgrade the postal service and to provide management techniques and labor-management relationships that are needed.

I emphasize that in this language I offer as an amendment we give to the individual supervisors status without depriving them of any of their individual rights, and they do have protection in the wage differential over the employees they will be supervising. This puts them solidly on the management team. It gives them the equivalent status that personnel of that type have in private industry. It just makes sense in this entire new concept of postal reform.

I especially emphasize that the Postmaster General feels this is a key amendment, and without this amendment we would endanger the efficiency of administration that they envisage.

I urge adoption of my amendment.

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

Mr. DERWINSKI. I yield to the gentleman from Ohio.

Mr. LUKENS. Mr. Chairman, I thank the gentleman for yielding. I would like to add my comments in support of this section of the bill. It seems to me what we have before us is a bill that may or may not solve the problem of providing efficient postal service to the people of the United States. We really do not know. But, we do know it is difficult enough to be effective and efficient in delivering the mail. We also know the cost for mail delivery has gone up, and while the postal service faces competition from private enterprise, I think this is one provision that holds out promise for more effective operation of the Postal Department. I think we at least ought to try it. I support the gentleman's amendment.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. DULSKI) to close the debate on this amendment.

Mr. DULSKI. Mr. Chairman, the Derwinski amendment says the supervisors shall have the right to participate directly in consultations. Under the language of the amendment, although they have some kind of representation, if the Postmaster General does not agree with them they have no other recourse.

The committee bill, on the other hand, provides as follows on page 185:

"(d) In the event the parties fail to reach an agreement under subsection (c) of this section, the dispute will be resolved by a panel consisting of three members, one appointed by the Chairman of the Civil Service Commission, one appointed by the Secretary of Labor, and one appointed by the Director of the Federal Mediation and Conciliation Service.

At least they have a means of recourse in the committee bill. But in the amendment proposed by the gentleman from Illinois (Mr. DERWINSKI) they have none.

I am opposed to the amendment. I ask for a vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. DERWINSKI).

The question was taken; and the Chairman announced that the yeas appeared to have it.

Mr. DERWINSKI. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. DERWINSKI and Mr. DULSKI.

The Committee divided, and the tellers reported that there were—ayes 84, noes 64.

So the amendment was agreed to.

AMENDMENT OFFERED BY MR. HENDERSON

Mr. HENDERSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HENDERSON: On page 219, section 660, lines 19 and 20, strike out the words "and the Sergeant at Arms of the Senate" and insert in lieu thereof the

words "the Sergeant at Arms of the Senate, the Sergeant at Arms of the House of Representatives, and the Clerk of the House of Representatives."

On page 220, section 660, line 4, strike out "or Sergeant at Arms of the Senate," and insert in lieu thereof "Sergeant at Arms of the Senate, the Sergeant at Arms of the House of Representatives, or Clerk of the House of Representatives."

Mr. HENDERSON. Mr. Chairman, this is a very simple amendment. I understand the chairman will accept it. I will advise the Members of the effect of it.

It merely provides a franking privilege to the Sergeant at Arms of the House and to the Clerk of the House, as their counterparts have in the other body. Of course, they will pay for this privilege, as the Members of Congress do, but this ought to be put into the bill.

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

Mr. HENDERSON. I yield to the chairman of the full committee.

Mr. DULSKI. I thank the gentleman for yielding.

I am in accord with the distinguished vice chairman of our committee. This is only corrective language. All it does is clarify the situation in the House.

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

Mr. HENDERSON. I yield to the gentleman from Illinois.

Mr. DERWINSKI. I believe the amendment is acceptable for technical clarification. In the interest of the House it should be accepted.

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

Mr. HENDERSON. I am glad to yield to the Speaker.

Mr. McCORMACK. The purpose of this amendment is to give franking privileges to the Sergeant at Arms of the Senate, the Sergeant at Arms of the House, and the Clerk of the House of Representatives. Is that right?

Mr. HENDERSON. It is my understanding that the Sergeant at Arms of the Senate and the Clerk of the Senate have this privilege. This amendment would extend it to the House officials.

Mr. McCORMACK. I am in agreement with that, but I am wondering whether you should have said "or the Clerk of the House of Representatives" instead of "and the Clerk of the House of Representatives" to be sure that the Clerk is included.

Mr. HENDERSON. I certainly want to be sure that he is, and if there is any doubt about this, we want to correct it before we adopt it.

Mr. McCORMACK. Because it might look as though you are giving it to the Sergeant at Arms or, in his absence, the Clerk of the House, but you want to have both the Sergeant at Arms of the House and the Clerk of the House to have it.

Mr. HENDERSON. The staff tells me that that is the intent.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina.

The amendment was agreed to.

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 191, line 11, strike out "initiation fees, dues, and assessments" and insert in lieu thereof "dues".

Mr. GROSS. Mr. Chairman, I do not intend to take the 5 minutes.

Let me read section 226, to which this applies, as it appears on page 191 of the bill.

"§ 226. Deductions of dues

"(a) When a labor organization holds exclusive recognition, or when an organization of personnel not subject to collective bargaining agreements has consultation rights under section 208 of this title, the Postal Service shall deduct the regular and periodic initiation fees, dues, and assessments of the organization from the pay of all members of the organization in the unit of recognition if the Post Office Department or the Postal Service has received from each employee, on whose account such deductions are made, a written assignment which shall be irrevocable for a period of not more than one year.

Now, under the Executive order promulgated by President Kennedy and renewed by President Johnson and by President Nixon, it is provided in section 21 as follows:

When a labor organization holds formal or exclusive recognition and the agency and the organization agree in writing to this course of action an agency may deduct the regular and periodic dues—dues—of the organization from the pay of members of the organization in the unit of recognition who make a voluntary allotment for that purpose and shall recover the costs of making these deductions.

The Executive order in effect under the last three Presidents says absolutely nothing about initiation fees and assessments.

Under the terms of this bill, assessments might be made for any purpose whatsoever. My amendment would simply strike out initiation fees and assessments, leaving dues that could be checked off if the employee agrees voluntarily that there shall be a deduction.

If this amendment is adopted, I expect to offer another amendment to provide, as the Executive order now provides, that the Government be reimbursed for the collection of the dues.

I might say that for the some 400,000 union members of the postal service, the costs of collection now are somewhere in the neighborhood of \$130,000 to \$140,000 a year. That is not an inconsequential amount.

I trust the Members will support the amendment to limit the checkoff only to dues.

Mr. WILLIAM D. FORD. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we have to bear in mind at all times in consideration of the labor-management portions of this bill that trying to compare this bill with what has been the practice in the past, or what is in the Executive orders, is like trying to mix apples and oranges.

The Postmaster General of the United States has spoken several times for the Nixon Administration on national TV saying that it is the policy of this administration to tender, by its support of this legislation, to the employees of the Post

Office Department a new deal. That new deal will be a new collective-bargaining arrangement with new labor-management laws governing all the facets of collective bargaining.

Now, part of what is going to happen here is that employee organizations are going to change their character and function differently from what we have known in the past in the postal service; they are going to be, in fact, labor unions functioning in every respect like labor unions do in the private sector.

Now, the Ford Motor Co. does not attempt to determine how much it costs them to deduct dues from any particular employee's check, and there is no charge made back against either the employee or his union for this service.

Neither does General Motors, and no employer in the private sector has ever asked to have either the union membership or the employees bear the cost of this. For one reason, it would probably cost the employer more money to keep track of how much it costs to handle the dues of each employee than it would be worth, and the recordkeeping would probably cost more than the effort to make the actual deduction.

Now, no one has come before our committee and asked for this to be done. The Postmaster General, on behalf of management, has not asked for it. And it would be a mischievous amendment that the gentleman from Iowa is offering here now.

I am sure that our friends who are looking forward to what collective bargaining is going to be under this new law are not going to be very pleased if on the one hand we say they are going to have the same rights and be under the same restraints and restrictions as their brothers and sisters working for a private employer, but on the other hand we start making exceptions to treat them differently than if they were working for a private employer.

To restrict the postal service in the way the gentleman from Iowa would restrict the postal service from entering into the agreement with the agent for the employees, would be to treat them differently than they are treated in practice by private employers across the country.

Mr. GERALD R. FORD. Mr. Chairman, would the gentleman from Michigan yield?

Mr. WILLIAM D. FORD. I yield to the gentleman from Michigan.

Mr. GERALD R. FORD. Mr. Chairman, as I read this section, 226(a), it does provide for the deduction of regular and periodic initiation fees, dues, and assessments, and so forth. But then it also says, as I read the existing provision in the bill, before anyone or all of those can be deducted there must be written permission given by the individual union member. Is that correct?

Mr. WILLIAM D. FORD. That is correct. That would not be changed.

Mr. GERALD R. FORD. This individual permission once given is for 1 year, and it must be renewed after a year or it expires?

Mr. WILLIAM D. FORD. Yes, that is correct.

Mr. GERALD R. FORD. But if an individual wanted to give permission to the union for the deduction of fees and dues, but not assessments, that is his option?

Mr. WILLIAM D. FORD. That is correct.

It requires two things: First, the management and the union would have to have an agreement that management is going to deduct these assessments. Then, in addition, the individual employee from whose paycheck the deduction is then going to be made, would have had to execute the document authorizing the deduction.

Mr. GERALD R. FORD. Let me clarify one other point, if I may.

No agreements between management and the labor organizations in this case can preclude him from insisting that he has to give permission in one or all of the cases?

Mr. WILLIAM D. FORD. That is correct.

Mr. LUKENS. Mr. Chairman, I move to strike out the last word and rise in support of the amendment.

I would simply like to make this observation. I think it is basic to the structure of our society that Government does differ somewhat from private employment in the outside world.

I believe we are going a step too far in our necessary responsibilities to the taxpayers of this country to say that we shall deduct union initiation fees, dues, and assessments—some assessments which would be used for political purposes and political aims of the unions and justifiably so.

I feel Government should at least try to compete with the benefits and rights and for private union membership, where they have functions and obligations outside of Federal employment.

I think this proposed deduction in this amendment offered by the gentleman from Iowa is sufficient. We do have a checkoff system for dues. It makes sense and I think it is a logical right and privilege due to the union and the membership.

But it is something else, however, while meeting our problem of reorganization to continue the service that the Government wants to provide for the people always at the cost of the general taxpayers and citizens.

Here we go once again thoroughly bureaucratizing an agency which so far is already bureaucratized too much.

I would like to see us trim this down simply for the postal service to a checkoff of union dues.

I think going into initiation fees and assessments for political purposes is a step beyond the proposed capability of our Government. We are already providing such services in too many directions. We should keep this within sensible limitations.

I think we have done enough for unions in this amendment, if we authorize the checkoff system of dues alone. I think it is up to the union membership and their leadership to sustain the cost and the additional responsibility for collecting the assessments, particularly political assessments which are beyond

the financial capability of any administration.

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

Mr. LUKENS. I yield to the gentleman from Idaho.

Mr. McCLURE. I would just like to point out, we have been talking of giving these men the same rights that exist for other work under existing law.

Existing Federal law calls for the checkoff of dues. It does not provide for the checkoff of assessments or initiation fees.

If we are going to give them the kind of equity and the kind of even-handedness that we are talking about here without modifying the existing labor law, then we would confine this checkoff to dues and would adopt the amendment of the gentleman from Iowa.

Mr. WILLIAM D. FORD. Mr. Chairman, will the gentleman yield?

Mr. LUKENS. I yield to the gentleman.

Mr. WILLIAM D. FORD. The difficulty is that you gentlemen are talking about this as if we were mandating by this legislation that there would be an assessment of any kind.

There may never be an assessment collected in this way.

But what you are doing, if you follow the gentleman from Iowa, is preventing the management of this new corporation that we are setting up from ever entering into an agreement to collect the assessment if at some time in the future such a practice would be advisable.

All of our experience in the private sector indicates that many times the collection of something which is not technically dues would be proper and desirable and something that both labor and management would want to participate in.

Mr. LUKENS. If I may intrude at this point, that is exactly why I have objected to this. I say to my friend, the gentleman from Michigan that this amendment goes far enough.

I think we would go far afield. If there is an additional assessment, it should be in the form of one the cost of which should be borne by the union.

Mr. WILLIAM D. FORD. Why do we not let management of the new corporation make that decision after they get into operation? Why should we restrict them and prevent them from having the opportunity to make that decision at the appropriate time?

Mr. LUKENS. Because I think it is one decision that this House can handle and be responsible for today. I would like to have this amendment voted on favorably. I would like to see it made the law of this land.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The question was taken; and on a division (demanded by Mr. WILLIAM D. FORD) there were—ayes 59, noes 40.

So the amendment was agreed to.

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 191, line 17, add a new sentence at the end

of section 226 to read as follows: "The Postal Service shall recover the costs of making such deductions."

Mr. GROSS. Mr. Chairman, this is the amendment which I previously said I would offer in connection with section 226 of the bill. This amendment is designed to make section 226 conform with the provisions of the Labor Management Relations Act of 1957 with respect to dues deduction and to Executive Order 11491 as it presently applies. Neither the NLRA or the Executive order require management or the agency, as the case may be, to go beyond deducting dues. The Executive order requires the agency to recover the cost of deducting the dues, and this is all I propose, that the Government recover its cost of collecting dues under the terms of section 226 of this bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The question was taken; and on a division (demanded by Mr. DULSKI) there were—ayes 37, noes 52.

So the amendment was rejected.

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

The CHAIRMAN. The Chair will count.

One hundred and thirty-five Members are present, a quorum.

AMENDMENT OFFERED BY MR. OLSEN

Mr. OLSEN. Mr. Chairman, I will offer two amendments, one after the other, and I will explain them if the Clerk will read them. They are to section 1201 on pages 262 and 263.

The CHAIRMAN. The Clerk will report the first amendment.

The Clerk read as follows:

Amendment offered by Mr. OLSEN: On pages 262 and 263, strike out all of subsection (e) and insert the following:

"(e) An amount approximately equal to 10 per centum of the total costs of the Postal Service for each fiscal year shall be considered public service costs of the Postal Service to be paid from appropriated funds. In addition to amounts otherwise authorized to be appropriated to the Postal Service, the amounts of such public service costs, as estimated by the Postal Service, are authorized to be appropriated annually for the use of the Postal Service. The amount of such public service costs is to be in lieu of revenue lost on each category of free or reduced rate mail under section 1202 of this title and in recognition of any loss that may be incurred in maintaining a high quality of postal service at third- and fourth-class post offices and on rural or star routes."

Mr. OLSEN. Mr. Chairman, the purpose of this amendment is simply to preserve the authorized congressional appropriation to the postal service to make up its deficit in the handling of public service mail which goes at free or at reduced rates as designated by this Congress.

Presently the list of public service rates includes nonprofit organizations, libraries, books and records, classroom publications, in-county newspapers, free mail for the blind and the handicapped, the President-elect, former Presidents and their widows, 10 percent of the costs of third-class post offices and star routes and 20 percent of the fourth-class post offices and rural routes.

Last fiscal year, the cost of these services was \$700 million on a Post Office budget of \$7.2 billion. My amendment would preserve a 10-percent appropriation for public services, as contrasted with the administration's position that such costs should be phased out almost entirely by 1978, and if the services would continue at all, there would have to be a charge against other users of the mail or a phasing-out of the services.

These costs have been appropriated since 1958, and I think the Members will agree it is most essential to retain this service regardless of what we call the postal service. Whether we call it an authority or a corporation, we should maintain the services.

I might also note in conclusion that the Senate reform bill takes an approach very similar to my amendment.

Mr. ANDREWS of North Dakota. Mr. Chairman, will the gentleman yield?

Mr. OLSEN. I yield to the gentleman from North Dakota.

Mr. ANDREWS of North Dakota. Mr. Chairman, I would like to ask a question of my good friend in the well, and I do support his amendment.

If the 10-percent public service amount is to maintain the small post offices and rural routes and other services, in the public interest, would this not reduce costs to those mailers who depend largely on the so-called uneconomic post offices and rural delivery for delivery of their mail? I have in mind local newspapers, nonprofit church and fraternal publications, and agricultural magazines under the preferred category.

Mr. OLSEN. That is correct. It is vitally necessary for more than 20,000 post offices. Of the 30,000, it is vitally necessary for 20,000 post offices, for them to be giving service at all.

Mr. ANDREWS of North Dakota. If the gentleman will yield further, is there any possibility that public services will eventually become a part of the institutional cost?

Mr. OLSEN. There is, unless we adopt this amendment. Either the service will be eliminated or the service will be charged against other users of the mail.

Mr. ANDREWS of North Dakota. I thank the gentleman for this explanation. I believe it illustrates clearly the need for the amendment offered by my distinguished colleague from Montana.

Mr. OLSEN. I thank the gentleman.

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

Mr. OLSEN. I yield to the gentleman from New York, but, first, I wish to say that the gentleman has fought hard for this kind of legislation in the committee, and I commend him for his efforts.

Mr. BUTTON. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Montana and strongly recommend its adoption.

H.R. 17070, in its present form, continues the existing categories of free and reduced-rate mail and provides that the preferential rates will not be changed except by Congress, unless—and this is an important proviso—unless the Congress fails to appropriate funds sufficient to cover the revenue forgone because of the rate preference. Should this happen, or should the appropriation fall short of

the required amount, then the new postal service would be required to adjust the free- and reduced-mail rates to cover the shortfall in the appropriation.

Such a rate adjustment would not be subject to the congressional veto contemplated for the ratemaking machinery provided for regular classes of mail.

The amendment offered by the gentleman from Montana removes such a possibility by preserving and guaranteeing the authorized congressional appropriation to the postal service to make up its deficit in handling not only free- and reduced-rate mail but other public services as well.

The amendment also reserves to the Congress the power of deciding which categories of mail are to be mailed at free and reduced rates.

While it is likely that the present administration and the present Congress would feel obligated to make annual appropriations to cover the revenue forgone of reduced rate mail, experience with the appropriations process suggests that such a commitment could not be relied upon to govern actions of future Presidents and future Congresses.

As written, H.R. 17070 erects an annual obstacle course for nonprofit charitable, educational, and religious organizations along with other reduced rate categories. The temptation for some future President or Budget Bureau or Appropriations Committee to balance the budget by eliminating all or part of the annual reduced rate appropriation would be great.

I support the approach taken by the gentleman from Montana, for I believe, as he does, that the Post Office is a service organization and that those public services authorized by the Congress should be paid for with funds from the General Treasury.

Mr. HECHLER of West Virginia. Mr. Chairman, will the gentleman yield?

Mr. BUTTON. I yield to the gentleman from West Virginia.

Mr. HECHLER of West Virginia. Is it not true, I should like to ask either the gentleman from New York or the gentleman from Montana, that the rate on nonprofit single-piece mail for the last 41 years has gone up only from 1 cent to 1.6 cents, that the volume of nonprofit mail has increased tremendously, that more and more organizations are getting in under the nonprofit umbrella and more and more mailings are being made of neckties, key chains, Christmas cards, and other items that are sent out, after which bills are sent out to collect?

Many of these items are really for the purpose of returning a profit to the so-called nonprofit organizations. I am wondering if the gentleman from New York or the gentleman from Montana would contemplate that this would increase the burden on the new Postal Service and represent a tremendous drain on it. The gap between costs of nonprofit mailings and revenues is widening. I hope this amendment is defeated, or the taxpayers will have to foot a tremendous bill.

Mr. OLSEN. Will the gentleman yield?

Mr. BUTTON. Yes. I yield to the gentleman.

Mr. OLSEN. In response to that, I think the volume of nonprofit charitable mail increased, but I do not think that the number of organizations that are taking advantage of it has increased very much.

The exact reason for the amendment is so that the burden will not be on the new corporation. The burden will be on the Congress to judge whether or not they will continue the nonprofit mail and that they will pay for it; that is, the Congress will pay for it. That is the present system and that is what we want to continue and that is the purpose of this amendment.

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

Mr. Chairman, I rise in support of the amendment.

Since I came to the Congress in 1958 the necessary funds were appropriated from the general revenues. I feel that this is the amendment that should be approved so that will continue following the same procedure we have had in the past.

So I want to compliment the gentleman from Montana and ask that this amendment be approved.

Mr. CORBETT. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I want to compliment the gentleman for putting this amendment in. Very definitely when the Congress in its wisdom decides a certain class of mail should have preferential treatment the Government should pay that difference of the Postal Commission or whatever it will be called. When we do things here that are a built-in expense to the postal management, it is our job to pay for it, and it is not to be paid for by the users of the mail. I think this is a very clear point. In the event that the situation changes, the Congress can change this by simple statute. So I believe the amendment is a good safeguard and ought to be passed.

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

Mr. CORBETT. Yes. I yield.

Mr. KAZEN. I thought the basic idea here was to get the Congress out of this business, and here you are putting us right back into it.

Mr. CORBETT. Just one minute. That is not the basic idea of some people, to get Congress out of it. If we remove the Congress entirely, we leave no protection for the general public and we leave no protection for the Crippled Children's Fund, for the Easter seals, and all the rest.

Mr. KAZEN. Yes, sir. Sears, Roebuck and the rest of them.

Mr. CORBETT. Sears, Roebuck does not get a preferential rate. I would like to point out to the gentleman that nothing but nonprofit organizations have ever been granted preferential rates.

Mr. DERWINSKI. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am afraid that it may be a lonesome effort on my part, since when you oppose subsidized rates for Easter seals and all sorts of nonprofit groups, that puts you against motherhood, but I wish to set the record straight so that Members know what they are doing.

The proposal that the Postal Reorganization Act be amended to provide for a continuing subsidy equal to 10 percent of the costs of the postal establishment runs counter to a concept which lies at the very heart of postal reform—that management be required to operate the Postal Service in an efficient manner which provides service to all the public and puts an end to the massive drain on the Federal Treasury which postal operations have represented in recent years. This amendment would remove the most essential discipline for good management which exists in the reform proposal, a discipline which would require management to cut out the fat in the postal system, improve efficiency, and provide the kinds of postal services that the mail users want and will pay for, so that the system can ultimately be put on a pay-as-you-go basis. Providing the subsidy would amount to telling management and the public that we in Congress do not care whether costs are kept down.

A lax, sloppy, inefficient management—a management ready to make excuses and live with deficits and failure—can adjust to the subsidies proposed here today. Such a management would perish under the requirement that the costs of the Postal Service be brought into line with postal revenues over the next 8 years.

We are told that this amendment is needed to permit Congress to decide upon the categories of free and reduced mail which will continue to exist after reorganization. This is utter nonsense. The fact is that the bill we are considering as voted out of our committee preserves special preferences enacted by Congress and provides appropriations to cover them. In contrast, the bill recently voted out of the Senate Post Office and Civil Service Committee, which contains a provision similar to that proposed here for an on-going massive 10 percent subsidy, would abolish congressionally enacted preferences entirely and leave the establishment of specifically preferred classes of mail to a rate commission.

This amendment thus has nothing whatsoever to do with maintaining congressionally enacted preferred mail categories. What the bill does do, however, is to permit—indeed virtually require—the perpetuation of a discredited system in which certain users are forced to subsidize other users, without there having been any showing whatsoever that such subsidization is socially desirable. The people of this country are fed up with being forced through their taxes and postage rates to pay for the mailings of profitmaking organizations which can and ought to be paying more. Make no mistake about it—adoption of this amendment will not benefit the ordinary user who mails no more than a few letters a week. It will, however, massively benefit business mailers by inviting the perpetuation of a system which favors them.

The argument is also made that enactment of this subsidy will help maintain service at smaller post offices in rural areas. The costs of operating these small post offices are small, however, and the findings of the Kappel Commission and

the testimony of Post Office Department witnesses have made it perfectly clear that smaller post offices are not viewed as losing operations, but as part of the overall system of providing mail service throughout the Nation. Mail service will continue to be provided everywhere—the statute requires it, management will be committed to it, and this Congress will enforce it. Given these realities, it is all the more clear that the subsidy proposed will not go to maintaining service which otherwise would be cut, but rather to perpetuating lower rates to business mailers who simply do not deserve or need to be subsidized.

What are we to tell our constituents if we should enact this unnecessary, undesirable, and harmful subsidy? Are we to tell them that in the face of overwhelming public demand for putting the Postal Service on a pay-as-you-go basis, we enacted a massive subsidy which blocked achievement of this objective? Are we to tell them that in the face of two Presidents and two Postmasters General imploring us to require the new Postal Service to manage its operations so that costs do not exceed revenues, we enacted a massive subsidy which removed this healthy incentive for good management?

Are we to tell our constituents that in the face of other pressing demands for tax revenue in areas such as housing, welfare, education, and medical care—areas where it is impossible for government efforts to be self-sustaining—we chose to spend precious tax dollars instead on postal services—services which all experts agree can be made self-sustaining? Are we to tell them that at a time when Government spending must be cut to fight inflation, we fed the inflationary fires unnecessarily, to the tune of an additional billion dollars a year?

Are we to tell our constituents that at a time when they are sick and tired of special postal preferences which primarily help bulk business mailers, we perpetuated a system which taxes the general public in order to assist these special user groups? Are we to tell them that at a time when confidence has been lost in the capacity of our institutions to change and to render honest service to the public, we created a system in which the stakes for exerting undue behind-the-scenes influence are extremely great? Are we to tell them that at a time when candor is required, we tried to kid them into thinking it costs less to support postal services through tax dollars than at the stamp window? In short, are we to tell them that at a time when the need for change is manifest, we lacked the courage to do what is necessary?

May I give you a few statistics? If we take the figures that the gentleman from Montana (Mr. OLSEN) gave us, and which he stated that the 10 percent involved in his amendment would be an \$800 million figure in 1971, I have figures from the Department which indicate that over the first 30 years of applying this proposed amendment by the gentleman from Montana (Mr. OLSEN) the total cost would

come to \$53.7 billion under this provision.

And when it is said that Congress should bear the cost, what they are really saying is that the taxpayers are going to bear the cost because if you put into the new postal service this 10 percent subsidy figure, you are in effect asking the taxpayers to subsidize the mail in perpetuity.

I happen to have in my possession a telegram. I do not think it should have been delivered to me, but this is what it says:

Following telegram sent to House leadership: Respectfully urge support of Congressman OLSEN's postal reform amendments for ten percent public service appropriations and independent rate commission, and full opposition to amendment to grant postmaster general unlimited transitional postal rate authority.

That is over the signature of the name of the vice president of the Magazine Publishers Association.

Well, who are we legislating for this afternoon? The people of the country, or the Magazine Publishers Association?

I note also the reference to third- and fourth-class offices, and the need of this amendment to protect them. It does nothing of the kind, since of the possible \$800 million subsidy which I referred to, only \$118 million comes from the net cost of third- and fourth-class post offices. And it is a complete illusion to claim that this amendment is intended to protect rural service and protect the nonprofit operations that exist in many parts of the country.

I say that this amendment flies in the face of everything we are trying to do. It creates a built-in subsidy for the mass mailers of the country—and I have no objection to the mass mailers, I think they do a real fine job—but I think they ought to pay the rate. And I see no reason to have a 10-percent permanent subsidy. I reemphasize to the committee that it is the judgment of the Department that in the first 30 years of application of this amendment it would cost the taxpayers of the country \$53.7 billion. And that is not anything to sneeze at.

Mr. CORBETT. Mr. Chairman, if the gentleman will yield, how does the gentleman compare over a 30-year period the cost of what any other department of the Government costs, particularly the Department of Labor—

Mr. DERWINSKI. There is a great deal of difference. After all, what we are speaking about here are postal rates, rates which would be paid by the user having his mail delivered. Let me point out that what we are doing in this whole subsidy scheme which is now so inherent in the postal operations, is that we are robbing Peter to pay Paul. I would prefer to contribute a few extra dollars to the Easter Seal Fund, than as a taxpayer have to be contributing to the subsidy they or any other group receive in the mail. And I would think that any charitable organization that is a proper not-for-profit organization, and that has an exemption from Federal income taxes, and so forth, should not mind paying a

fair postage rate. I do not think we ought to saddle the overburdened taxpayers of the country with a staggering postal subsidy.

Mr. OLSEN. Mr. Chairman, if the gentleman will yield, I want to get straight the issue that is before us. We are not underwriting any kind of commercial group, the magazine publishers are not covered by this amendment whatsoever. The only people covered are the in-county publications, and the rest of the nonprofit and charitable organizations. And I will explain further that in the report of the Post Office itself there are listed the names of those classes that are taken care of in this amendment. Let us get it straight again that the mass mailers are not covered by this amendment. It is the nonprofit, charitable organizations, and in-county publications, and no others.

Mr. DERWINSKI. Will the gentleman from Montana explain to me why the mass mailers, then, sent out this telegram?

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. OLSEN, and by unanimous consent, Mr. DERWINSKI was allowed to proceed for two additional minutes.)

Mr. DERWINSKI. Then why is the interest of the mass mailers involved in this amendment?

Mr. OLSEN. A second sentence in that telegram covers them if somebody is going to offer an amendment in their favor. But this amendment does not cover them whatsoever.

Mr. DERWINSKI. Well, then somebody has missed signals here.

Mr. OLSEN. I think somebody has, but I have not misled you in committee and I am not misleading you here. This amendment does not do anything for mass mailers.

Mr. DERWINSKI. Does the gentleman dispute the figures I quoted taken from the Department that within the first 30 years, your amendment would have the effect of creating a \$53.7 billion cost to the Department?

Mr. OLSEN. What it will amount to is similar to the Senate bill, 10 percent of the cost of the Post Office is public service and the taxpayer will pay for the public service cost in the Post Office so that those public services are not eliminated.

Mr. DERWINSKI. Right, that is the point I want to make in opposition to this amendment. If the taxpayer is going to bear this burden, it would seem to me to be fair and more practicable that we should at least have the postal service charge a rate in relation to the cost of delivery.

Mr. UDALL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this important amendment goes to the heart of what is involved in postal reform.

My friend, the gentleman from Montana and I have had many arguments and disagreements on it, and you again find us in disagreement on this amendment. I believe the amendment ought to be defeated.

What are we trying to do here? Right

now we have too many hands stirring the soup now.

We are trying to set up an independent establishment in the Federal Government which will be self-sustaining by 1975. After a transition period, we will have a revenue mix so that the Postal Service can come out even.

We recognize that the Congress is going to come along from time to time and provide free rates or reduced rates.

We provide right in the bill, you can find a list on page 266—free mail to the blind, and we give reduced rates to libraries and nonprofit organizations and different kinds of mailings that the Congress has always favored with a subsidy rate.

Then we say that they shall come in every year to the Congress and ask for that figure, whatever that figure is. This year the figure would be \$300 million.

As against this rather precise statement which will measure the subsidy, Mr. OLSEN's amendment says: Let us not worry about computing all of this. Let us just take the arbitrary figure of 10 percent. This year that is \$800 million and with the increase in business of our post offices within just a couple of years, it will be \$2 billion a year.

Let us not worry about figuring out what the subsidy is—let us take a flat 10 percent, and you will take from the general taxpayers a billion dollars.

He justifies it, very articulately, I might add, saying that these are the star routes and the little third- and fourth-class post offices—and the blind, and the Easter Seals, and all the rest.

Well, the figures this year on third- and fourth-class post offices and rural routes are about \$800 million.

This \$30 million—that is the net—that is on the list although \$70 million is covered in the calculations.

The other subsidies we are talking about bring this total up to something around \$300 million. So the gentleman says \$800 million. What is the other \$500 million going for?

Mr. OLSEN. Mr. Chairman, will the gentleman yield on those figures? You are wrong.

Mr. UDALL. The \$500 million is money that we are asking the general taxpayers to throw into the pot to subsidize the big-piece mailers and to add 80 percent to first-class mail for the benefit of the third-class mailers so their rates will be lower. I believe this is the wrong way to go about it. We will be right back in the same difficulty we are in now, where the Congress must come up with a large appropriation. We would not get the new post offices, we would not get the good service we are entitled to.

If we are going to have a self-sustaining operation, we will have to defeat this amendment. If we are going to have the Postmaster General in control, we will have to defeat the amendment.

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

Mr. UDALL. I yield to the gentleman from Montana.

Mr. OLSEN. You said the cost of fourth-class post offices is \$80 million. That is only part of the story. For third class, rural routes, and star routes added you come to \$122 million.

Mr. UDALL. That is the total figure.

Mr. OLSEN. \$122 million.

Mr. UDALL. Then you take from the \$122 million the revenue that you get from these little post offices, so you have a net of around \$70 million.

Mr. OLSEN. No; there is shown here \$122,500,000.

Mr. UDALL. Why do you have seven times that figure?

Mr. OLSEN. Then we have another item, Special Services in the Post Office, such as registry, insurance, collecting on delivery, certified mail, and so forth. That is \$116 million. The \$111 million for books and educational material, \$119 million for nonprofit publications, and so forth.

Mr. UDALL. Where is the \$800 million?

Mr. OLSEN. It is \$699 million, but that is the 1969 fiscal year we are talking about. Yes; it will come to \$800 million. By what time? 1971.

Mr. UDALL. The gentleman is asking for an annual subsidy—

Mr. OLSEN. I am talking about nonprofit publications, which is a big item, amounting to about \$119 million.

Mr. UDALL. We cover that in the bill now without the amendment.

Mr. OLSEN. No; you do not. In your bill you would cut 10 percent where it would be next year, and that is the \$800 million. You say you will cut that down until finally in 1978 you will not have anything for public service, and you will charge me in first class for performing this service.

Mr. UDALL. No; the bill as now written will provide specifically for the Congress to appropriate money for these special and reduced rates under section 1202 of this bill. We make the decision of what we will subsidize. We name the dollar amount. We name the classes of mail. Then the Appropriation Committee can be requested to come up with that amount.

Mr. OLSEN. That is precisely what I seek to authorize in the amendment.

Mr. UDALL. No; take an arbitrary 10 percent.

Mr. OLSEN. Yes.

Mr. UDALL. Which this year is about 60 percent higher than what the true figure ought to be.

Mr. OLSEN. I do not think so. Furthermore, Congress can review the figures every year. This Congress will not quit.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Montana.

The question was taken, and the Chairman announced that the yeas appeared to have it.

Mr. OLSEN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. OLSEN and Mr. UDALL.

The Committee divided, and the tellers reported that there were—ayes 41, noes 53.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. UDALL

Mr. UDALL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. UDALL: On page 163, line 14, subsection (d) of section 108,

after the word "attends", change the period to a comma and add the following: "up to a maximum of 30 meetings per year."

Mr. Chairman, if I may have the attention of my good friend, the gentleman from Iowa, he has persuaded me to offer an amendment on this subject, and I hope it will meet with his approval.

This deals with the Commission on Postal Costs and Revenues, the governing body of the new Postal Establishment. These are supposedly outstanding men who will set policy and make the major policy decisions. It is the governing body of the Postal Establishment.

The bill as now written provides these men will be paid a compensation of \$10,000 per year, plus \$300 for every meeting they attend. The gentleman from Iowa, before the Rules Committee, pointed out that theoretically they could meet 360 days a year and make \$80,000, which is more than the Director of the Postal Service would make, or Cabinet members would make, or anyone else.

This adds the words "up to a maximum of 30 meetings a year." It would mean that in addition to the \$10,000 basic salary, they could earn \$9,000 by attending meetings, and the most they could earn in any 1 year would be \$19,000.

Mr. Chairman, I know of no opposition to the amendment. I hope it will be agreed to.

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

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

Mr. DULSKI. Mr. Chairman, I agree with the amendment offered by the gentleman from Arizona (Mr. UDALL). I accept it on this side of the aisle.

AMENDMENT OFFERED BY MR. CORBETT TO THE AMENDMENT OFFERED BY MR. UDALL

Mr. CORBETT. Mr. Chairman, I offer an amendment to the amendment offered by the gentleman from Arizona (Mr. UDALL).

The Clerk read as follows:

Amendment offered by Mr. CORBETT to the amendment offered by Mr. UDALL: On page 163, line 14, strike out the period and insert in lieu thereof the following: ", which compensation shall not be considered pay for the purposes of section 8344 of title 5."

Mr. CORBETT. Mr. Chairman, the amendment I have offered is relatively simple and, in effect, corrects what I consider an oversight in the drafting of both the original bill and the substitute.

Under the provisions of both measures the members of the Commission on Postal Costs and Revenues are appointed by the President with Senate confirmation for 9-year terms. Nevertheless, it is anticipated that their duties will be of an intermittent nature primarily for attendance at meetings. The proposed \$10,000 compensation is certainly not designed for full-time employment and is more in the nature of a fee or honorarium similar to that paid to members of boards of directors.

Both bills specifically provide that "the presidentially appointed Commissioners may hold any other non-Federal office or employment."

Presumably, the President would search out and appoint to the Commission prominent persons with expertise in business, management, finance, research,

and so forth, and in most cases these persons would already be lucratively employed in the private sector, and continue such employment in addition to receiving the compensation provided for the position of Commissioner.

However, serious inequity would result in the case of a retired Federal employee whom the President might wish to appoint to the Commission. And I might point out here that probably our best expertise in the entire field of postal affairs could come from persons who have retired from long careers in the Postal Service.

Such a person, if appointed, because of existing provisions of law, would be required to have his annuity reduced by the amount of compensation of the Commissioner, resulting in his performing the duties either without additional total compensation or at an extreme financial sacrifice. As I indicated earlier, no such requirement would apply to someone appointed from the private sector.

Mr. Chairman, I see no reason why any of our retired Federal employees should be so penalized if the President feels that their background and experience would contribute to the overall management of the new Postal Service. I urge the adoption of my amendment.

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

Mr. CORBETT. I yield to the gentleman from Arizona.

Mr. UDALL. I have no objection to the amendment. It certainly carries out the intention.

Mr. GERALD R. FORD. Mr. Chairman, will the gentleman from Pennsylvania yield?

Mr. CORBETT. I yield to the minority leader.

Mr. GERALD R. FORD. The exclusion in the amendment includes retired pay for civilian employees who are retirees of the Federal Government, or does it include military retirees as well?

Mr. CORBETT. Just Federal retirees. Mr. GERALD R. FORD. I know, but retirees from the military are Federal, too.

Mr. CORBETT. This just involves civilians.

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

Mr. CORBETT. I yield to the gentleman from Arizona.

Mr. UDALL. My understanding is that if a man is retired from the military, he is a civilian and drawing a pension. If he is a retired general, he could be put on this Commission and he could continue to draw his retirement.

Is that not the intention of the amendment?

Mr. CORBETT. Yes.

Mr. UDALL. It is my understanding that we would treat both civilian and military retirees the same way.

Mr. GERALD R. FORD. I believe they should be treated the same way. My recollection is that retired enlisted men or officers are still considered to be a part of the military, to a degree. I may be wrong, but that is my recollection of the existing law.

Mr. GROSS. Mr. Chairman, I move to strike the necessary number of words.

Mr. GROSS. Mr. Chairman, the gentleman from Arizona (Mr. UDALL) said he was offering this amendment apparently because I raised some criticism of the original pay provision for the members of this newfangled Commission in the Post Office Department, and that I perhaps regarded members of the commission as greedy and evil men.

If they took the money at the rate of \$10,000 a year plus \$300 per day for each day they were in session, and if they were in session 182 days out of the year, they would draw \$64,000, a year, plus expenses, as I originally pointed out. I would not accuse them of being greedy and evil for taking the money. I would consider it irresponsible on the part of those who brought out a bill with that kind of a pay formula in it.

I am curious to know why this sudden change in the bill. I am glad the gentleman has offered his amendment and has seen the error of his ways, as he has in the past in throwing up his hands with respect to this legislation.

This amendment emphasizes one thing which every Member of the House ought to understand; that this is to be a part-time commission operating the \$7 billion annual business known as the Post Office Department. It is to be a part-time partisan commission, with 5 Republican and 4 Democrats, if the President can be depended upon to observe the usual political division. This is the authority that will run the Post Office Department, a part-time commission.

I support the amendment but it does not change the fact that part-time bosses will run the postal service, or what remains of it.

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

Mr. GROSS. I yield to the gentleman from Illinois.

Mr. DERWINSKI. I join the gentleman in supporting the amendment of the gentleman from Arizona. On a very personal basis the gentleman did make reference to that gentleman. I merely point out that the gentleman from Arizona (Mr. UDALL) has rubbed elbows with the gentleman from Iowa, having served for so long on the committee, that he is starting to get a little fiscal responsibility.

That is the purpose of the amendment. A board of directors such as this group would be should not serve full time. Therefore, the amendment is in order.

Mr. GROSS. I would prefer to let the gentleman from Arizona speak for himself, so far as rubbing elbows is concerned.

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

Mr. GROSS. I yield to the gentleman from Arizona.

Mr. UDALL. I credit the gentleman with furthering my education in many respects. Now, with the Corbett amendment being approved, hopefully, if the gentleman from Iowa and I are both defeated in the November elections, we could both serve on this commission at the same time, and get that \$19,000.

Mr. GROSS. I want to say that \$19,000 a year is quite a comedown from the \$64,600 a year for going through the motions of working for 182 days.

Mr. UDALL. I will have some other economy amendments as we go along here, and I hope the gentleman will continue to support me in these efforts.

Mr. GROSS. I will be glad to do that. Mr. SCOTT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will not take 5 minutes, but I do rise in opposition to the amendment offered by the gentleman from Pennsylvania. When the Chair sees fit to recognize me, I have an amendment to the bill which would eliminate dual compensation to the same extent that it is in all Government departments and makes the general law apply to the new postal service.

The amendment offered by the gentleman from Pennsylvania, as I understand it, would make an exception with regard to retired personnel both military and nonmilitary. I see no reason for a difference between the postal service and other Government agencies with regard to dual employment or dual compensation. Therefore I do urge the defeat of the amendment offered by the gentleman from Pennsylvania.

Mr. CORBETT. Will the gentleman yield?

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

Mr. CORBETT. I just want to point out to the gentleman that this is not dual compensation. The amendment as it reads says that for the purposes of this bill and this action that this \$10,300 should be regarded as an honorarium or something to that effect. It is not two jobs.

Mr. SCOTT. It seems to me that \$19,000 maximum is a fairly good sized honorarium. I feel that the general laws that apply to all Government employees and to all Government agencies should apply in this instance. I see no reason at all to make an exception because we are creating a new type of governmental structure.

Mr. CORBETT. I might say to the gentleman there that we do not. These people will be retirees. They will not be holding two jobs.

I would hate to have the Post Office Department deprived of someone's services because it would cause too great a reduction in their annuity.

Mr. SCOTT. I appreciate the gentleman's concern. However, I do disagree with the conclusions that he reaches.

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

Mr. SCOTT. I yield to the gentleman from Idaho.

Mr. McCLURE. I thank the gentleman for yielding.

It is my understanding the amendment now pending only deals with retirement incomes and retired persons whereas the amendment that the gentleman from Virginia intends to offer deals with people who are presently employed by the Federal Government and the dual compensation feature.

Mr. SCOTT. That would deal with both. It would deal with anyone holding two jobs or getting income from two governmental sources. The Congress in its wisdom over the years has dealt with this proposition. I think we should have

the same law in all governmental agencies and not have one law for the Post Office Department, by whatever name it is called, and another law for the rest of the Government.

Mr. McCURE. In other words, you recognize the fact that the pending Corbett amendment deals with a narrower subject matter than what you are referring to, but you still desire to go into the area of retired pay. Is that correct?

Mr. SCOTT. I believe in the same treatment for all Government employees or retirees.

Mr. HALL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this discussion and this amendment, of course, deals with the commissioners who will establish not only the general policies but also will establish the rates subject to very little review, and that before the fact rather than after the fact. They may in turn subdelegate to a minor board of yet undetermined lineage, their function of the Federal trust.

I believe that even though I am not a lawyer, it is time to bring up the constitutionality of this Commission and particularly the reference to its ratemaking proclivities as set forth in the bill to the attention of the committee and our people.

Mr. Chairman, as H.R. 17070 finally emerges for us to work our will, it contains real constitutional difficulties or questions. These points have never been commented on by the committee, the Post Office Department, the Department of Justice, or anyone else, insofar as I can determine from reading the report.

The significance of these constitutional difficulties is that it is, in my opinion, whose qualifications are only that of an Ozark surgeon with a relatively high constitutional rating for preserving same; highly dubious whether the package of questionable constitutional provisions can merge successfully from a serious test of any high tribunal or our Supreme Court.

I think that if postal reform is to have a fair chance—and certainly we are working our will, and giving it many chances—it should not be based on the shaky principles set forth in this bill.

Now, what do I mean, Mr. Chairman? I mean that there are about four features of H.R. 17070 dealing with this Commission and its ratemaking procedures, each of which violates a universally acceptable constitutional principle.

One, the bill's delegation to the proposed Commission on Postal Costs and Revenues of totally unrestrictive legislative power to set postal rates without limitations or directives imposed by this Congress.

Two, the bill's omission of substantive judicial review.

Three, nullification of the meager judicial review provided.

Unless you think that is paradoxical when taken with item No. 2, I mean by requiring it to occur before a proposed rate becomes law, when no court would act.

And, four, the bill's reliance on a one-House congressional veto in reverse to

correct these difficulties when such a veto could not remedy an unlawful delegation of legislative power, and would itself be unconstitutional in the context of postal ratemaking.

I can think of no better time to point this out than at a time when we are talking about the compensation of the Commissioners themselves.

I would like to repeat, Mr. Chairman, the constitutional objections are:

The bill delegates all ratemaking power to the new Commission on Postal Costs and Revenues about whose salaries the present amendment pertains. It does so without any restrictions, limitations or legislative standards controlling the Commission as set forth by the Congress. I ask wherein goes forthwith the constitutional principle that rates, trades, tariffs, and revenues for which our forefathers fought and had a tea party "without representation," for we delegate completely to some commission the Stamp Act and the ratemaking proclivities of the Congress?

Second, the bill makes the total delegation of legislative power to fix postal rates without providing substantive judicial review, and if so, before the fact.

And, third, the one-House "veto in reverse" which I abhor so strongly, as a long-time member of the Joint Commission on Reorganization of the Congress and its related agencies; which has failed to work, and for which there has never been a judicial determination, is abominable. Even if we exercise this, the one-House "veto in reverse" is an unconstitutional withdrawal of delegated legislative power never approved by a single court, and against the weight of prevailing opinion as to its validity.

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

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. CORBETT) to the amendment offered by the gentleman from Arizona (Mr. UDALL).

The amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arizona.

The amendment was agreed to.

AMENDMENT OFFERED BY MR. SCOTT

Mr. SCOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SCOTT: On page 170, line 4, strike out "sections 3333 and 5532" and insert in lieu thereof "section 3333, subchapter IV of chapter 55".

On page 174, beginning with line 18, strike out all of line 18 and all that follows down through the period in line 23.

Mr. SCOTT. Mr. Chairman, the purpose of my amendment would be to put employees of the postal service under the same laws insofar as dual pay and dual employment is concerned as officers and employees of the Government generally.

Such laws as we have relating to dual pay and to dual employment would apply under my amendment to the new postal service. It would provide at page 170 for striking out section 5532 and substituting for it the entire subsection

(4) of the chapter 55 of title 5 of the Code that relates to dual pay and dual employment.

Then on page 174, and let me read you the committee provisions of subsection (d):

"Notwithstanding sections 5533, 5535, and 5536 of title 5, and any other provision of law, an officer, agent, or employee of the United States Government, is eligible to serve and receive the compensation both as such officer, agent, or employee and as officer, agent, or employee of the Postal Service other than as a member of the Commission."

Mr. Chairman, apparently this was written in the Post Office Department. I do not know the purpose in providing for dual pay and permitting someone to work for some other branch of the Government and also to work for the Postal Service. It seems like one of many bad features of this bill. I do hope the Committee will see fit to agree to the amendment and eliminate dual pay for employees of the new Postal Service.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia (Mr. SCOTT).

The question was taken; and on a division (demanded by Mr. SCOTT), there were—ayes 28, noes 30.

Mr. SCOTT. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. OLSEN

Mr. OLSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. OLSEN: On page 267, amend subsections (a), (b), and (c) of section 1251 to read as follows:

"(a) There is hereby established an independent Postal Rate Board consisting of five members appointed by the President, not more than three of whom shall be from one political party, and each member appointed to the Board shall be a recognized expert in one of the following fields: the legal profession, economics, cost accounting, engineering, management, or postal rates. One of the Board members shall be designated by the President as Chairman. The Board members shall be paid at the rate provided for level IV of the Executive Schedule, except that the compensation of the Chairman shall be \$500 higher than the pay established for level IV. Appointments of succeeding Board members shall be made by the President as hereinbefore provided.

"(b) The Board members shall serve for terms of six years except that—

"(1) the terms of the Board members first taking office shall expire as designated by the President at the time of appointment of the first Board member, two at the end of two years, two at the end of four years, and one at the end of six years following their appointment; and

"(2) any Board member appointed to fill a vacancy occurring before the expiration of the term for which his predecessor was appointed shall serve for the remainder of such term.

For purposes of suspension and removal the Board members shall be deemed to be in the competitive service, and they may be suspended or removed only in accord with the procedures established in section 7521 of title 5.

"(c) The Chairman of the Rate Board, subject to such rules and regulations as may be adopted by the Board, is authorized to—

"(1) appoint and fix the duties of an Ex-

ective Director who shall be paid at the rate provided for level V of the Executive Schedule;

"(2) appoint such additional personnel as may be necessary to carry out the functions of the Board; and

"(3) procure the services of experts and consultants under section 3109 of title 5, but at rates for individuals not to exceed the rate for GS-18 of the General Schedule."

On page 269, following line 24, add the following subsections to section 1251:

"(g) Upon request of the Chairman, the head of any department, agency, or establishment of any branch of the Government of the United States may detail, on a reimbursable basis, any of the personnel of such department, agency, or establishment to assist the Board in carrying out its functions.

"(h) The Administrator of the General Services, upon request of the Chairman, shall provide administrative support services for the Board on a reimbursable basis.

"(i) The Board may use the United States mails in the same manner and upon the same conditions as other departments and agencies of the United States."

Mr. OLSEN. Mr. Chairman, there are only two differences between my amendment and the provision of the bill to which it refers. First, under the bill the ratemaking board would be inhouse, it would be inside the Post Office Department. No monopoly in this country fixes its own rates. Every monopoly must go to some independent agency to have its rates fixed. My amendment would make it an independent agency.

Second, the bill provides that the board would be appointed from persons nominated as follows: two by the American Economic Association, whoever they are; two by the American Institute of Certified Public Accountants; two by the American Bar Association; and two by the Chairman of the Civil Service Commission. The American people would be dependent upon nominees from organizations about which they know nothing.

My amendment provides that the appointments would be by the President of people he recognizes as experts and for whom he must take full responsibility, people who are experts in the legal profession, economics, cost accounting, engineering, and management of postal rates.

The President would have to take full responsibility for his appointees. Again, let me say the appointees that he would make are to an independent Rate Board who, after having hearings on rates, would determine the rates. Then those rates would have to come to the Congress, and then the Congress would have 90 days in which to veto those rates in either House by a majority vote.

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

Mr. OLSEN. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, I have studied the gentleman's amendment, and I cannot foresee any strong objections to it. There is one problem I have with it, which is that it provides for a rate board of five members whereas in all the other arrangements we have had three members. It seems to me a smaller rate board would be more efficient.

Mr. OLSEN. Correction: The gentleman has eight in the bill.

Mr. UDALL. In the committee bill,

on page 267, line 6, it says "Postal Rate Board consisting of three members."

Mr. OLSEN. Mr. Chairman, I stand corrected.

Mr. UDALL. Mr. Chairman, if the gentleman would reduce the number to three, I have been committed to support the package negotiated by the unions and the Postmaster General, but for myself, if we could stick with three members, I would support the gentleman's amendment.

Mr. OLSEN. Mr. Chairman, I will ask unanimous consent to make it three members.

Mr. UDALL. Mr. Chairman, I ask unanimous consent that the gentleman's amendment on the second line be changed by striking "five" and inserting in lieu thereof "three".

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

There was no objection.

Mr. OLSEN. Mr. Chairman, I ask unanimous consent to correct also the following line, so that it will say "not more than two of whom shall be from one political party."

The CHAIRMAN. The Clerk will report the modification.

The Clerk read as follows:

On page 267, amend subsections (a), (b), and (c) of section 1251 to read as follows:

"(a) There is hereby established an independent Postal Rate Board consisting of three members appointed by the President, not more than two of whom shall be from one political party."

The CHAIRMAN. Is there objection to the amendment as it now stands?

Mr. McCLURE. Mr. Chairman, reserving the right to object, I just want to point out that there is a subsection (b) in regard to the terms of the appointees, which presumes the presence of five commissioners. I would think that the unanimous consent request to modify should include conforming changes in that language. If the author of the unanimous consent request would modify it to meet that problem, it does seem to me that it needs those changes.

Mr. UDALL. Mr. Chairman, if the gentleman will yield, the gentleman is correct, and I could offer an amendment to the amendment to take care of it, if I would be recognized for that purpose.

The CHAIRMAN. Is there objection to the modification?

Mr. McCLURE. Mr. Chairman, I will withdraw my reservation to the unanimous consent request assuming that there will be these conforming changes in subsection (b).

There was no objection.

AMENDMENT OFFERED BY MR. UDALL TO THE AMENDMENT OFFERED BY MR. OLSEN

Mr. UDALL. Mr. Chairman, I offer an amendment to the amendment offered by the gentleman from Montana (Mr. OLSEN).

The Clerk read as follows:

Amendment offered by Mr. UDALL to the amendment offered by Mr. OLSEN: Amend subsection (b) (1) to read as follows:

"(1) the terms of the Board members first taking office shall expire as designated by the President at the time of appointment of the first Board member, one at the end of two years, one at the end of four years, and

one at the end of six years following their appointment; and"

Mr. UDALL. Mr. Chairman, I ask unanimous consent that the amendment to the amendment be approved.

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

There was no objection.

So the amendment to the amendment was agreed to.

The amendment, as modified and amended, reads as follows:

On page 267, amend subsections (a), (b), and (c) of section 1251 to read as follows:

"(a) There is hereby established an independent Postal Rate Board consisting of three members appointed by the President, not more than two of whom shall be from one political party, and each member appointed to the Board shall be a recognized expert in one of the following fields: the legal profession, economics, cost accounting, engineering, management, or postal rates. One of the Board members shall be designated by the President as Chairman. The Board members shall be paid at the rate provided for level IV of the Executive Schedule, except that the compensation of the Chairman shall be \$500 higher than the pay established for level IV. Appointments of succeeding Board members shall be made by the President as hereinbefore provided.

"(b) The Board members shall serve for terms of six years except that—

"(1) the terms of the Board members first taking office shall expire as designated by the President at the time of appointment of the first Board member, one at the end of two years, one at the end of four years, and one at the end of six years following their appointment; and

"(2) any Board member appointed to fill a vacancy occurring before the expiration of the term for which his predecessor was appointed shall serve for the remainder of such term.

For purposes of suspension and removal the Board members shall be deemed to be in the competitive service, and they may be suspended or removed only in accord with the procedures established in section 7521 of title 5.

"(c) The Chairman of the Rate Board, subject to such rules and regulations as may be adopted by the Board, is authorized to—

"(1) appoint and fix the duties of an Executive Director who shall be paid at the rate provided for level V of the Executive Schedule;

"(2) appoint such additional personnel as may be necessary to carry out the functions of the Board; and

"(3) procure the services of experts and consultants under section 3109 of title 5, but at rates for individuals not to exceed the rate for GS-18 of the General Schedule."

On page 269, following line 24, add the following subsections to section 1251:

"(g) Upon request of the Chairman, the head of any department, agency, or establishment of any branch of the Government of the United States may detail, on a reimbursable basis, any of the personnel of such department, agency, or establishment to assist the Board in carrying out its functions.

"(h) The Administrator of the General Services, upon request of the Chairman, shall provide administrative support services for the Board on a reimbursable basis.

"(i) The Board may use the United States mails in the same manner and upon the same conditions as other departments and agencies of the United States."

Mr. DERWINSKI. Mr. Chairman, I have no objection to the amendment, but what we have really done now is revert to three members appointed, whereas there would have been five members under the committee bill. The only differ-

ence, and I think really we should note this for legislative history, is the language in the bill would have had the Rate Commission within the postal service. This uses the term "independent." I think the end result would be the same. Therefore, I will support the gentleman's amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Montana (Mr. OLSEN), as modified and amended.

The amendment, as modified and amended, was agreed to.

AMENDMENT OFFERED BY MR. OLSEN

Mr. OLSEN. Mr. Chairman, I offer a perfecting amendment which goes with the one just agreed to. It is to the following section.

The Clerk read as follows:

Amendment offered by Mr. OLSEN: On page 270, line 3, strike "Postal Service" and insert "Postal Rate Board."

On page 270, lines 9 and 10, strike "Rate Board in such form and manner as the Board may prescribe," and insert "Postal Service."

On pages 270 and 271, amend subsection (b) to read as follows:

"(b) If no party at interest files a timely objection to a proposed change or a request for a hearing thereon, the proposed changes shall become final subject to section 1254 of this title."

Mr. OLSEN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD. It is a very simple amendment, to change the words "Postal Service" to "Postal Rate Board" at the appropriate places as set forth.

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

There was no objection.

Mr. OLSEN. Mr. Chairman, it is not necessary to take any time, because it is just a conforming amendment.

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

Mr. OLSEN. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, I am always a little leery of simple conforming amendments. I should like to take a look at this one.

This is on page 270. Now, the final decision on a proposed rate change is made, as I understand it, by the commissioners who run the postal service. Does the gentleman's amendment not change the situation, so that the final decision would be made by the Postal Rate Board?

Mr. OLSEN. Yes. It is independent of the Post Office. It is a Postal Rate Board.

Mr. UDALL. This is a very fundamental change in procedure and a very fundamental change in philosophy, and I would have to oppose the amendment very strongly.

I was in agreement with the gentleman on the previous amendment, setting up in the independent Postal Rate Board, which is desirable. I was glad to make that change. If we are to do this, we will be taking from the postal service one of the final management functions; that is, some control in the final determination of rates. The final and ultimate judgment would be made by the Congress. This takes the managers of the postal

service, the commissioners themselves, out of the decision. It is wrong, and I strongly oppose this amendment.

Mr. OLSEN. Mr. Chairman, the next amendment would be the one that would take the decision entirely away from any review by the directors of the Post Office. What is more, that is the sense of the independent rate board.

There is no utility in the United States where the board of directors fixes its own rates. That is the essence of the whole drive of these amendments, that the directors of the Post Office Department should not fix their own rates.

They can make every kind of appearance and every kind of recommendation, and present testimony, just as the utility companies now do, when they have to go to some ratemaking body. They do not fix their own rates. The railroads do not. The electric power companies do not. The telephone company does not. They have to go to a ratemaking commission to get their rates.

Under the committee bill the directors of the Post Office would have the final say on the rates. That is what I am contending for, an independent rate board.

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

Mr. OLSEN. I yield to the gentleman from North Carolina.

Mr. HENDERSON. I believe by the action taken earlier, that we agree with the gentleman on an independent rate board, to take the hearings and consider all the evidence and reach the first level of recommendation. We believe the governing body which manages the postal service ought to be able to transmit its recommendations based on the independent rate body being established, to the Congress for its final action. This is orderly procedure. We agree with the gentleman that the rates initially ought to be recommended by the independent board. I hope the gentleman will agree with us.

Mr. OLSEN. I cannot agree that they go to the board of directors of the Post Office Department to make the final decision.

Why, if the telephone company wants to get a new rate, they go to a State rate body if it is intrastate and to a Federal body if it is interstate, and that is where the rates are settled. Here they want to have the authority in the directors of the Post Office Department to have the final say on rates, and I do not think that is right. I think an independent agency ought to be determining the rates and the directors of a monopoly should not fix their own rates. That is the whole thrust of my amendment.

Mr. HECHLER of West Virginia. Mr. Chairman, will the gentleman yield?

Mr. OLSEN. I yield to the gentleman.

Mr. HECHLER of West Virginia. Would the gentleman from Montana clarify the relationship between the three-man board and the Advisory Council detailed in an earlier section, on page 166, where it is stated:

The commission and the Postmaster General shall consult with and receive the advice of the Advisory Council regarding postal rates and services and compensation of employees.

I am not exactly clear on what that relationship is.

Mr. OLSEN. That is an Advisory Council on the Economics and Policy of the Post Office Department.

Mr. HECHLER of West Virginia. I see.

Mr. OLSEN. With regard to wages, they will negotiate the wages. With regard to rates, they will take advice from all kinds of mail users. Then, under my amendment, they have to go to an independent rate board and there get the rates fixed.

Mr. DERWINSKI. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman from North Carolina and the gentleman from Arizona properly directed attention to this issue. This is not quite as minor an adjustment as the previous amendment that we accepted. The effect here in this series of amendments—and, by the way, may I say I do not recall these as such being considered in the committee, and I now review the language, which puts us at a disadvantage, but what it does is free the postal service from the necessary involvement it must have in proposed changes in rates and classifications and instead it inserts the postal rate board in an area where the postal service should properly function.

This is a far-reaching amendment. It is certainly not a technical one. In view of the fact that we really have had no notice or idea of the total implications on rates as well as on the entire status of this postal service, I would strongly suggest we reject the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Montana (Mr. OLSEN).

The question was taken; and on a division (demanded by Mr. OLSEN) there were—ayes 12, noes 43.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. MCCLURE

Mr. MCCLURE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MCCLURE: On page 265, on line 16, after the word "independent," add the word "certified."

Mr. MCCLURE. Mr. Chairman, after the discussion we have just heard about one simple, little amendment that did not amount to much, I somewhat hesitate to say that this is a simple little noncontroversial amendment that is easily explained and does not have much impact on the bill. But, simply stated, there was an amendment adopted in committee to require an audit of the functions and operations of this postal service, and the language adopted in the committee said that this audit shall be performed by an independent public accountant.

I wish to change that to conform to the language that appears in the report on the bill that this be by independent certified public accountants, just inserting the word "certified."

I would hope that the amendment is agreeable.

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

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

Mr. DULSKI. Mr. Chairman, the gentleman is correct. We accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Idaho (Mr. McCURE).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. JOHNSON OF PENNSYLVANIA

Mr. JOHNSON of Pennsylvania. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JOHNSON of Pennsylvania: on page 263, line 7, strike out all of lines 7 through 16.

Mr. JOHNSON of Pennsylvania. Mr. Chairman, this bill creates a Postal Rate Board consisting of three members.

Section 1201 sets up standards they must go by in fixing rates for all classes of mail. Those standards are:

Reasonable and equitable rates and fees sufficient to enable the postal service, under honest, efficient, and economical management, to maintain and continue the development of postal service of the kind and quality adapted to the needs of the United States. Also sufficient to meet current and projected costs.

And what are these costs as defined by the bill?

They are: Operating expenses, depreciation, debt service, and reasonable provision for contingencies.

There is this further requirement:

Rates for classes of mail established shall cover at least those costs demonstrably related to the class of service of such mail, and shall not be borne by other users of the mail.

Here are some tempering factors:

There shall be taken into account the financial impact of rates required, and this can be softened by spreading the increase over a period of time.

This would not be true, however, of fourth-class mail as the bill is written. It will mean a 33½ percent raise in rates at once for that class of mail.

The duty then to establish reasonable and equitable rates for each class of service is clear. However, the bill contains the provision that with respect to fourth-class mail, the mail must bear demonstrably related costs and all other costs of the service, so that the revenue from this service will not be less than the costs thereof by 4 percent, or greater than the costs by 4 percent.

My amendment strikes this requirement.

Under present law Congress fixes postal rates except that the Postmaster General fixes the fourth-class rates. So Congress did pass legislation requiring, in section 4539 of title 39, U.S.C.A., that following the fixing of fourth-class rates the Postmaster General must certify that he has reason to believe that the revenues on fourth-class mail will not be greater than the costs thereof, by more than 4 percent, and will not be less than 4 percent.

Costs, however, under present procedures are operating costs only. However, under the postal reform bill before us, costs for all classes of mail, including fourth class, will not only be operating expenses, but now for the first time de-

preciation, debt service, and allowance for contingencies.

In addition, under the bill, fourth-class mail must bear its portion of all other costs as well. This is an entirely new equation, and you can readily see what this could mean to fourth-class rates on the rigid basis of the present amendment of this bill.

We are now establishing a new Postal Service to establish a new organization to run the Post Office into the next century. I do not feel that the rate board should have their hands tied with respect to any class of mail.

Now, the purpose of this postal reform bill is to create a whole new management for our postal service. In the bill we say how rates shall be established for all classes of mail. But here is a provision singling out fourth-class mail for special treatment. Why is that special treatment in this bill? Because the long arm of vested interests reached into the committee, and because of strong influences they were able to get the amendment adopted.

Now this provision singling out fourth-class mail is totally inconsistent with the rest of the bill. It will unfairly burden the parcel post for ratemaking purposes and will tend to price it out of the market, contrary to the public interest.

The full allocation of all costs, as prescribed now under this bill, to fourth-class mail will mean the rate board will have to overlook the value of the service, the availability of alternative service, the elasticity of demand, the quality of service and would eliminate all the discretion entirely of the ratemakers.

This provision, namely, the 4-percent requirement in the law today has caused a constant diminution of the volume of fourth-class mail and has tended to concentrate fourth-class mail only in low revenue high costs areas and has caused the Post Office Department to repetitively increase the rates without regard to the impact on the users.

My district, like many of you people here, is essentially a rural area. By the postal service now, packages are delivered out onto the mud roads in the district, rain or shine, in deep snows, regardless of road conditions. Patrons can mail packages right from their rural homes as a result of daily postal deliveries. Hard-to-handle packages are always brought to your door.

This tightening of rates under this bill for fourth-class mail for the first time creates this new formula which will price this parcel service right out of business. This restrictive cost amendment would prevent the fourth-class rate with being credited with any part of the \$900 million a year in public allowance as long as they continue to deliver their mail to the rural areas and serving nonprofit groups.

Face it: If we put this strait jacket on fourth-class mail, we will be ignoring results. Private competition wants the rates high. They can then price their services just under our rates. And the Post Office Department will be left with the least desirable parcel post traffic.

I plead with you people to give this rate board a chance. Give this postal re-

form system a chance. Do not put a strait jacket on this rate board. Let them fix the rates on fourth-class mail. That is the only way you will preserve fourth-class mail to be delivered along those mud roads and to the people up and down the hollows in your districts.

I plead with you for the adoption of this amendment.

Mr. HANLEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I speak in opposition to the amendment offered by the gentleman from Pennsylvania and in support of the committee language as presented in the reported bill.

Again, this is an issue that was long debated in the committee. The committee in its wisdom recommends the language as contained in the bill reported to you.

The gentleman from Pennsylvania has suggested that the language is special interest in nature.

The only sense in which we can look upon it as being of a special interest nature is the fact that we are considering here the plight of the first-class mailer, because if the amendment offered by the gentleman from Pennsylvania is adopted, we will be providing the parcel post user with a 48-percent subsidy.

Ninety percent of our parcel post volume is generated by the business community. What we are asking here is that we concur with the tradition of the Department with respect to rates assigned to parcel post and we are continuing the provisions of law that have been in effect since 1913 which require that parcel post pay its full cost.

I believe that this was the basic intent of the American people when they asked the Congress to move in the direction of postal reform—that each class of mail would pay its own way and that no class of mail would be afforded special treatment.

So this is exactly what we are doing here. It assures users of parcel post that they will not be called upon to pay costs that are more than a just share of the total cost. It assures other users of mail, principally first class, that they will not be called upon to pay for a subsidy to carry someone else's packages.

Adoption of this amendment in the long run would mean that first-class mailers will have to pick up the tab for this 48-percent subsidy.

Another interesting sidelight is that the business community happens to have the opportunity for a tax benefit here. It is an overhead cost which they enjoy through a tax benefit. The individual mail patron does not happen to enjoy that privilege. The average American patron pays the full amount without any tax benefit.

So I think the least we can do in return is to make sure that each class of mail pays its fair share. If anyone is going to gain from the amendment offered by the gentleman from Pennsylvania, it would be the large mail-order companies. They would be the beneficiaries as a result of adoption of the amendment offered by the gentleman from Pennsylvania.

Incidentally, just today the Postmaster General asked the Interstate Commerce Committee to approve parcel post rate increases averaging 15 percent. Furthermore, it is interesting to note in the testimony provided our committee that the Postmaster General concurred with the language contained in the committee bill, saying:

We believe that the Postal Service should be prevented from competing unfairly with private carriers of parcels.

This happens to be the other side of the coin. We would place the system in a very advantageous position from the standpoint of competition with the private sector, and I do not think that that is the intent of the Congress.

The language assures that this multi-billion-dollar organization cannot compete unfairly with the many businesses to which I have already referred. Certainly all we are doing here is retaining the principle of law that has stood the test of time for 57 years, dating back to 1913, and I do not believe we would want to void it through adoption of the amendment of the gentleman from Pennsylvania.

Mr. PURCELL. Mr. Chairman, I rise in support of the amendment.

The CHAIRMAN. The gentleman from Texas is recognized.

Mr. PURCELL. Mr. Chairman, today House Members are having to consider the same kind of difficult language that we on the committee have had to deal with. A great deal of this difficulty is brought about by the accounting methods that have always been practiced on the part of the Post Office Department.

I rise to support this amendment to strike paragraph 1201(f). This paragraph is totally unnecessary for postal reform. Parcel post is the only service that is totally available to my constituents and to the constituents of the majority of the Members. It is the only service for the handling of parcels that my constituents have, and I believe the constituents of nearly every Member of this body depend upon parcel post for the delivery of packages.

The paragraph to which I have referred was put into the bill by a narrow vote in the committee. Its main promoter has been the United Parcel Service. UPS is an efficient carrier of small packages. It serves primarily businesses in urban areas. It does not serve rural areas to any extent, and it does not serve vast geographic areas in this country. Housewives and the ordinary citizen, the ordinary user of the parcel-post type of operation, can only use parcel post unless they have need for the railway express service, which ordinarily carries larger and heavier packages. This paragraph will place an artificial charge immediately—and this I think is the key to all of this—immediately on the users of parcel post. Under the present language parcel post starts having to pay the added increase instead of waiting until 1978, when the other classes of mail will be required to be bearing all the cost.

I am no expert on post office economics, but I know that the people in my district do not want to pay higher parcel post costs simply to help a private cor-

poration whose profits were increased by 60 percent in 1 year, according to a Wall Street Journal I have here.

Many of my colleagues in the committee supported paragraph 1201(f) under the erroneous conclusion, I believe, that it was simply preserving the status quo. It does not do that. Paragraph 1201(f) would require an immediate unwarranted rate increase for all parcel post, leading to the possibility of the destruction of the entire system.

So I would just like to reemphasize that if we are going to be fair to the receivers, I am not for any of the big mail order houses getting a bonanza, as was referred to by my very distinguished friend and a man whom I admire greatly, but the ones I am worrying about are the ones who will really be paying the charge on parcel post, and those are the constituents of the people in this body. They are the ones who will really pay it, because the other business concerns will be able to and will have to figure in all their costs on their business.

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

Mr. PURCELL. I yield to the gentleman from Texas.

Mr. WHITE. Mr. Chairman, from what the gentleman said, he is merely trying to treat this group the same as 1012(b), as all other major mailers are being treated?

Mr. PURCELL. Yes.

Mr. WHITE. He is trying to be fair to all, but this parcel post is being targeted for immediate payment, while the other major users have till 1978.

Mr. PURCELL. That is true.

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

Mr. PURCELL. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, I commend the gentleman on the fine statement he has made.

I support the amendment offered by the gentleman from Pennsylvania.

Mr. Chairman, the only universal parcel service which we have in this country is the U.S. mail. It is the only one in our rural areas and in the small towns by which we can have a parcel received.

What the amendment proposes to do is to treat the fourth class exactly the same as the other classes of mail, and to make sure it pays its way, as we will have the other classes do, and we do not single out in the amendment just one class of mail for special treatment. We are voting for a universal parcel post service for the people we represent if we support the amendment.

Mr. WILLIAM D. FORD. Mr. Chairman, will the gentleman yield?

Mr. PURCELL. I yield to the gentleman from Michigan.

Mr. WILLIAM D. FORD. Mr. Chairman, I associate myself with the remarks of the gentleman in the well. I agree with him.

Mr. Chairman, I offer my support for the amendment offered by the gentleman from Pennsylvania.

Mr. Chairman, I hope the gentlemen from the rural constituencies, whom I opposed a little while ago, will notice I am leading the fight for their rural constituencies now.

Mr. DERWINSKI. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, the language in the committee passed by a very narrow margin, and I would like to set the record straight at this point.

The Johnson amendment—and this point was emphasized by the gentleman from Texas (Mr. PURCELL)—that the committee version would impede the flexibility needed for sound postal service, because H.R. 17070 as now written singles out fourth-class parcel post and requires fixing of rates to cover what amounts to between 96 percent and 104 percent of fully allocated costs.

Fourth-class mail is the most price-elastic of all the classes of mail. The committee bill would perpetuate the language now in the law that has made fourth-class uncompetitive. The reason our constituents do not receive better service in the Post Office on parcel post is because of the very language that is in the bill.

Due to the problems the Post Office now has in handling parcel post, they have had a steady decrease both in the volume of mail and in the pieces and pounds that they handle in fourth class. They tend to concentrate what service they provide in parcel post in low-revenue high-cost areas, and they have to ask unrealistic rate increases that do not make them competitive.

What we really are trying to do with this amendment is to give to the Post Office the necessary management flexibility to provide effective parcel post service in a greater volume, and through greater volume at a lesser cost. This is in the interest of the consumers of the Post Office Department across the country.

I support the amendment.

Mr. SCHERLE. Mr. Chairman, I move to strike the requisite number of words.

Since this matter of public service has been brought to the attention of the House, I would like to ask a member of the committee a particular question.

As background material, section 1202, subsection (e) of H.R. 17070 provides for reduced rates of postage for publication matter described in former section 4358. In 1967 we changed this section from "4358. Postage rates within county of publication." to "4358. Rates of postage; preferred."

The Chairman will recall that under certain conditions, such as "devoted to promoting the science of agriculture" and 70 percent furnished to "subscribers residing in rural areas", we included agricultural magazines mailed for delivery in zones 1 and 2 under section 4358.

My question is addressed either to the gentleman from Montana (Mr. OLSEN), or some other member of the committee. Is it still the intent of this legislation that agricultural magazines mailed for delivery in zones 1 and 2 under conditions prescribed in former section 4358 be considered preferred-rate publications for rate consideration?

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

Mr. SCHERLE. I yield to the gentleman from Montana.

Mr. OLSEN. Not under this bill as it is written now.

Mr. SCHERLE. Will the gentleman from Montana repeat his answer for legislative history?

Mr. CHAIRMAN. May we have order in the Chamber, please?

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

The CHAIRMAN. Does the gentleman from Iowa yield?

Mr. SCHERLE. Mr. Chairman, I am yielding to the gentleman from Montana, who is looking for the place in the bill.

Mr. OLSEN. I should like to know what page the gentleman is referring to.

Mr. SCHERLE. Page 263.

Mr. OLSEN. Page 253?

Mr. SCHERLE. Page 263.

The CHAIRMAN. The gentleman from Iowa has the floor and evidently is yielding for a reply to a question. Does any Member care to respond?

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

Mr. SCHERLE. I will yield to any member of the committee who can answer that question.

Mr. UDALL. The gentleman from Montana is the chairman of the Postal Rates Subcommittee and is the real authority in this field. I am a member of the subcommittee.

My own answer to the question is that the preferred rates the gentleman refers to, for the small agricultural publications, are provided for in the bill to continue, but on page 266 it says that until changed by law these preferred rates probably will continue. Under the provisions of the bill the Postal Rate Board down the line someplace could make a change and could remove this preferred status. That would come to the Congress for a veto. I would join the gentleman, and I am sure the gentleman from Montana (Mr. OLSEN) would, in arranging for a veto.

There is no intention in the bill to change the category of preferred publications.

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

Mr. SCHERLE. I yield to the gentleman from Montana.

Mr. OLSEN. The preferred category remains, but earlier here this afternoon it was stated 10 percent of the cost of the Post Office Department would be public service so that there would be a guarantee that this kind of business would be supported in a part of the public service. There is no guarantee to that except, as the gentleman from Arizona says, the Congress could retain these people in the preferred category. However, if the Congress fails to appropriate money for this and other preferred categories, then the Post Office Department, right now, the way we are reading it, could increase the rates if the Congress did not appropriate the money for this preferred class. However, right now in the law these people are still in there in a preferred class.

Mr. SCHERLE. In other words, the rate consideration will remain intact, but as far as the rate board is concerned, once this is established they will have the legal right to change the rates just as they would have in any other field.

Among the proposals in the postal reform package is an increase in postal rates for second-class mail of 48 percent. While the goal of making the postal services a viable self-supporting business enterprise is theoretically a good one, such a massive rise in postal rates would impose tremendous financial hardship on the chief users of second-class mail, the newspapers and magazines. The extra burden would be especially onerous for rural newspapers and farm magazines, which generally operate on the smallest of profit margins. Many would be forced to curtail service to outlying subscribers or go out of business entirely.

The rural press has historically performed an important function by keeping the farming community generally well informed and in the mainstream of the democratic process. It has served as a vital channel of communication between the farmer and his essential sources of new information in the scientific world. Farm magazines have kept the farmer abreast of new technological advances in agriculture, thus making him the most successful food producer in the world. Cut off his supply of information and you threaten his preeminence in his vocation.

This possibility endangers not only the farming profession but all those who depend on it—and that means everyone. Every citizen of this country, and citizens of many other nationalities the world over, reap the benefits of the American farmer's incredible technical expertise. If we want him to continue in the forefront of his profession, we cannot impair the communications network which has so ably assisted him to that position.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PICKLE. Mr. Chairman, I move to strike the requisite number of words.

Mr. CHAIRMAN. I would like to ask the gentleman from New York (Mr. HANLEY), a question relative to the present law. As I understand it, from the beginning of the parcel post system many years ago the law stated that parcel post rates would be using revenues that would substantially cover the cost of providing the service. If that is so and if the Postmaster General had been given the authority to issue a certification that revenues within 4 percent above or below the cost of providing this parcel post operation would be used, then it seems to me what we are asking in this bill is just to keep in effect the law as we already have it.

Mr. HANLEY. Will the gentleman yield?

Mr. PICKLE. I yield to the gentleman.

Mr. HANLEY. That is absolutely correct. We are asking for no more than a continuation of the present law.

Mr. PICKLE. I could understand that there could be some controversy, particularly in rural areas, as between companies who deliver this type of mail. There is considerable competition on that point. But we are not talking about that point here, as I understand it. We are trying to decide will we continue the provision that parcel post ought to pay

its own way and we do not give favoritism to one mode of transporting parcel post as against another privately owned system if they can operate at the same level.

Mr. HANLEY. The gentleman's interpretation is exactly accurate. What we are trying to do is maintain the status quo and prevent any unfair competitive advantage to the parcel post that would jeopardize free enterprise. The United Parcel Service has been singled out as one that might benefit by this legislation. The fact of the matter is it is not the beneficiary of it. It would be adversely affected, as would the hundreds and hundreds of other small trucking industries that operate in communities across the Nation should the provision of the gentleman from Pennsylvania prevail. So you have singled out that one particular carrier, and it happens to be there are probably in every metropolitan area and rural area of the country private small trucking firms that would be adversely affected by the enactment of the amendment offered by the gentleman from Pennsylvania.

Mr. PICKLE. May I add this: I know that there is competition between companies in the delivery of parcel post packages, and I know in matters appearing before the Interstate Commerce Commission there has been a decision as to whether they will allow it to go to United Parcel or some other type of service giving that service. I can say to you that I have looked with considerable concern on this large organization skimming off the cream of the best part of this business.

We are not talking about that problem here; we are talking about keeping parcel post at a level that the costs will cover the revenues, and that is what you are trying to achieve.

Mr. HANLEY. Exactly.

Mr. PICKLE. And you are trying to carry out in this bill the present law.

Mr. HANLEY. Exactly.

Mr. PICKLE. I thank the gentleman.

Mr. DULSKI. Mr. Chairman, I rise in opposition to the amendment.

Section 1201(f) does not do the things some have alleged here on the floor today. Let me read section 4559 of title 39, United States Code. It reads:

The Postmaster General shall not withdraw from the general funds of the Treasury any funds appropriated to the Department for any fiscal year, until he has certified in writing to the Secretary of the Treasury that, No. 1, he has reason to believe that the revenues from the rates on postage on fourth-class mail (other than fourth-class mail for which the rates are prescribed by sections 4422, 4554, and 4651 to 4654 inclusive, of this title) will not be greater than the cost thereof by more than 4 percent and will not be less than the cost thereof by more than 4 percent; or he has filed with the Interstate Commerce Commission a request for the establishment of reformation of rates or other conditions on mailability, or both, in accordance with section 4558 of this title, with the objective that the revenues on such fourth-class mail will not be greater than the costs thereof by more than 4 percent or not less than the cost thereof by more than 4 percent.

That is the law today. We are trying to let parcel post pay its way.

I ask for the defeat of the amendment.

Mr. WAGGONNER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to ask the author of the amendment a question about how he intends to compute the recovery rate of 96 percent for parcel post. It is my understanding that the factor of the real estate value, the buildings involved in handling parcel post, would have to be included as costs to recover the 96 percent; is that correct?

Mr. HANLEY. The gentleman from Pennsylvania (Mr. JOHNSON) is the author of the amendment. I will be delighted to answer the question.

Mr. WAGGONNER. Anyone who wants to try to answer the question will be satisfactory with me.

Mr. HANLEY. The cost is recovered through the institutional costs.

Mr. WAGGONNER. That means that all real estate involved in handling parcel post, the value of that real estate, will be a factor in the recovery cost. We are not just trying to recover the cost of actually handling the parcel post. We are trying to recover as well the cost of the buildings which are utilized in handling the parcel post.

Mr. HANLEY. All costs. If I might add that on that score it is interesting to know that in the original bill sponsored by the gentleman from Arizona there was included a more restrictive measure than is presently contained, for in the language of that bill was contained a provision for the recovery of an imputed charge for Federal, State, and local taxes. That was contained in the original bill. That is not contained in the language under consideration.

Mr. WAGGONNER. Of course, we do not pay Federal, State, or local taxes on federally owned property. The taxes the gentleman refers to would only be those taxes where we have a leased building, but not for federally owned buildings that are utilized in handling parcel post.

Mr. HANLEY. I described it as an imputed charge.

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

Mr. WAGGONNER. I yield to the gentleman.

Mr. PURCELL. In an attempt to answer the question the gentleman has asked, I would say that the item you have referred to will be computed in the cost of parcel post and all other classes of mail when the postal service becomes fully self-sustaining and operative.

The point of the amendment by the gentleman from Pennsylvania—a point that I support and others support—is to not pick out parcel post now to be handled differently than other classes of mail.

Mr. WAGGONNER. That is exactly my point. I do not see why we apply these guidelines and these stringent rules to parcel post now and to other classes of mail later. It seems to me unfair in the instance of parcel post to do this.

Mr. PURCELL. The only thing to be accomplished by not having this amendment become law would be to force the public to look to these independent carriers to carry their parcels. Many of these carriers are efficient, but they do not

cover all of the country. You would put parcel post at a deliberate disadvantage at this time if this amendment should fail.

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

Mr. WAGGONNER. I yield to the gentleman.

Mr. DERWINSKI. May I reemphasize that point.

The real effect of the language of the bill, unless we accept this pending amendment, is that when we take note of the constantly diminishing volume of parcel post and keep in mind the relationship the volume of each class of mail must bear to the demonstrably related costs within the postal service, the effect of retaining the committee language is to force higher rates on first-, second-, and third-class mail as fourth-class mail fails to draw the necessary volume to meet its share of the use of the facilities.

This amendment would give the necessary flexibility to provide rates by which through volume fourth-class mail would not only be provided service but would be bearing a very effective share of its relationship to the overall costs.

There is no reason to single out fourth-class mail for specific restrictions from which first-, second-, and third-class mail in this bill are excluded.

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

Mr. WAGGONNER. I yield to the gentleman.

Mr. MCCLURE. It perhaps might be helpful to have some figures furnished to the Committee dealing with fourth-class parcel post under the general zone rate.

Mr. WAGGONNER. Will the gentleman cite the source of those figures?

Mr. MCCLURE. These are from the Post Office Department, Bureau of Finance and Administration. They show revenues of \$704.2 million of which \$442.7 million have been assigned to the demonstrably related costs and \$261.5 million are their contribution to institutional costs.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MCCLURE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I just want to complete the statement on these cost figures so that the RECORD might be complete.

Of the \$704.2 million—that was the revenue—the total cost, the fully allocated cost, of providing that service during the last fiscal year was \$808.6 million. The cost recovery therefore was about 87 percent of the total cost of providing these services.

That is the reason why under existing law there is some adjustment of parcel post rates now being made to get that up to at least 96 percent—under the mandate of existing law.

The committee language in effect merely continues the law which is in effect now and the amendment would change the law which is in effect.

Mr. JOHNSON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. MCCLURE. I yield to the gentleman.

Mr. JOHNSON of Pennsylvania. I

would like to reply to the gentleman from Louisiana who posed the question to me.

As I understand the present law, I understand that fourth-class mail must meet its costs. The word "costs" is not defined in the statutes. Therefore, it is operating costs.

Under this bill, the ratemakers must first of all provide for the demonstrably related costs, and they are defined as operating expenses, debt service, depreciation and reasonable allowance for continuities.

But this amendment that we are talking of, that we are trying to strike out, went even further so far as fourth-class mail is concerned and says in addition to all these other cost factors, they must bear the portion of other costs that are applicable. That is what is unreasonable about it. Fourth-class mail is singled out. I am speaking now for the rural people in my district who are fortunate to have the ability to send parcels out every day and get them back, and for the rural carrier to tell them tomorrow what it cost them to mail those packages out. I say that if this goes through, we will start losing our fourth-class mail in rural districts, and the people of my district are among those who will suffer. I am in favor of striking this out and will stand up to the ratemakers. Let them say what is fair for parcel post in rural districts.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. JOHNSON).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. STAGGERS

Mr. STAGGERS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STAGGERS: Page 244, strike out line 4 and all that follows down through page 245, line 2.

Page 245, line 3, strike out "(b)" and insert in lieu thereof "(a)".

Page 245, line 6, strike out "mail" and insert in lieu thereof "persons, property, or mail".

Page 245, strike out line 21 and all that follows down through page 246, line 23.

Page 246, line 24, strike out "(d)" and insert in lieu thereof "(b)".

(Mr. STAGGERS asked and was given permission to revise and extend his remarks.)

Mr. STAGGERS. Mr. Chairman, before 1938 there occurred in this land a great to-do about corruption, cronyism, bribes, and what-have-you, connected with the airlines. At that time the Postmaster General had the authority that the Committee on Post Office and Civil Service is seeking to get again in order to bring back the same conditions—to negotiate contracts with the airlines without letting the proposals out for bid so the people of the country will know what is going on. The business will be carried on behind closed doors again. There will be contracts let "under the table," and money transferred in different ways. This should not be permitted.

The then chairman of Post Office Committee, Mr. Mead of New York, said at that time that this practice should stop. He appeared before the proper committee and said we should have unified control and administration of these rates. The then Postmaster General, James

Farley, appeared before the committee and said that this kind of thing should stop in America.

Now it is proposed that we go backward, and we would do so if we should leave this provision in the committee bill. We would go backward to those days when these practices were happening.

In the hearings Chairman DULSKI himself asked the Postmaster General if it would be all right to go back to the original law and take this provision out of the bill. By his intimation, he wanted to do that, and let the proper committee that had jurisdiction take hold of it. The Postmaster General did not answer one way or the other. It seemed to me like he sort of evaded the issue. The ranking member of the Post Office and Civil Service Committee made the same suggestion.

I would take the time to read that testimony but I shall not do so because it is in the record. The Postmaster General again refused to make any comment on it. The Postmaster General never came to our committee. It was suggested to him that he come to our committee and present what was needed and we would consider his proposals. I have always said that we would consider them.

The supplemental airlines of America are doing a good job today. But before the act of 1963 this was not true.

Our committee held hearings and we said that only those that were safe were allowed to run, and only under certain conditions which we laid down.

As a result, some of the supplementals were not able to meet the conditions. The others were, and are doing a good job.

I am not saying they should not be allowed to carry the mails. I say the proper committee should make that decision.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HOLIFIELD. Mr. Chairman, I ask unanimous consent that the gentleman in the well be allowed to proceed for 5 additional minutes.

Mr. CORBETT. Mr. Chairman, reserving the right to object, as I said yesterday, I do not mind small extensions of time.

Mr. HOLIFIELD. Mr. Chairman, I ask unanimous consent that the gentleman from West Virginia be allowed to proceed for 3 additional minutes.

Mr. CORBETT. Mr. Chairman, I have no objection.

The CHAIRMAN. The gentleman from West Virginia is recognized for three additional minutes.

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

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

Mr. HOLIFIELD. Mr. Chairman, I compliment the gentleman from West Virginia on the position he has taken.

The Subcommittee on Military Operations held extensive hearings on this same subject matter. I agree wholeheartedly with the gentleman, and if I could be recognized some time between now and midnight, I would like to speak on this in favor of the gentleman's position.

Mr. STAGGERS. I thank the gentleman from California.

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

Mr. STAGGERS. I yield to the gentleman from Illinois.

Mr. GRAY. Mr. Chairman, I compliment the distinguished chairman of the House Committee on Interstate and Foreign Commerce for his amendment.

I would like to say I, too, have been waiting here for a long time trying to get some time to talk about the committee usurping the prerogatives of other House committees.

I want to ask the gentleman from West Virginia one question. Was the gentleman called before the House Committee on Post Office and Civil Service and asked to express his views concerning the taking away of this jurisdiction of his Committee on Interstate and Foreign Commerce?

Mr. STAGGERS. I was not.

Mr. GRAY. I can say that neither was any member of the House Committee on Public Works. We have seen 21 committee amendments adopted here today, with 15 more pending, and we have seen the exclusion of 400 other Members of the House who also feel that Members' rights ought to be protected.

Mr. Chairman, I commend the gentleman for offering his amendment, and I support it.

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

Mr. STAGGERS. I yield to the gentleman from Montana.

Mr. OLSEN. Mr. Chairman, I want to say the Post Office has problems too in giving service in some areas. For instance, in Montana there are not scheduled lines that would move the mail around in Montana, and there is not rapid service transportation, so the air taxi is the service they are using, and they put it out for bid. In any event we are getting service that way now. Would that service be eliminated by the gentleman's proposal?

Mr. STAGGERS. Not at all.

Mr. OLSEN. The only other item I have in mind is that we get service on a space available. The Post Office is having to pay 19 cents a ton-mile while other users of the same service on a space available basis only pay 9 cents a mile. Is the committee of the gentleman prepared to have hearings on such a subject as that and given the Post Office Department some kind of equal treatment?

Mr. STAGGERS. Certainly we would. I would like to say that according to actual airline receipts per ton-mile by type of transportation the airlines realize the following revenues:

[In cents per ton-mile]	
Passengers	59.66
Express	33.57
Priority mail	28.25
Freight	20.88
Nonpriority mail	17.22

Thus, even under CAB fixed rates, airlines get less for transporting nonpriority mail than they do for transporting mail.

Mr. STAGGERS. In closing I should like to ask the gentleman from Montana if he will support my position on this bill?

Mr. OLSEN. I support your position. Mr. STAGGERS. I thank the gentleman.

I should like to make a statement before I close.

Our committee has had hearings on a similar bill to this. When we found out the Committee on Post Office and Civil Service was in the business, we stopped. If they go ahead and pass this, we will have hearings and will bring it to this floor and ask the House to pass it, in the interest of the public service of America. We should provide equality for the passengers and the cargo that is carried over these lines. We have these airlines for people, too, we must remember, and we are concerned with their safety.

The Post Office Department has no safety department. The CAB does. If they are interfered with they cannot have equality.

We try to make it equal to run these airlines for the safety of the people of America and also to give service to the mails.

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

Mr. STAGGERS. I yield to the gentleman from Washington.

Mr. ADAMS. We are holding hearings and did hold hearings on H.R. 16789, which was to set up a tariff system.

The present law requires that the airlines carry people and property, that they provide for the national defense, and that they provide for the postal services. At the present time the Postmaster can demand that any certified airline carry mail to any point on its route. He has a whole series of hours they can fly.

If we put this provision in we are going to see contracts with the supplementals, as the chairman mentioned, between New York and Chicago, and between Chicago and Los Angeles, and then he will have to come in with a bill that will say, "You are going to unhinge the postal service entirely from the airlines, because the airlines are required under Civil Aeronautics Board regulation to make a profit or to break even." They cannot break even carrying four or five or 10 letters to a small town, so they will have to stop.

SUBSTITUTE AMENDMENT OFFERED BY MR. CONTE FOR THE AMENDMENT OFFERED BY MR. STAGGERS

Mr. CONTE. Mr. Chairman, I offer a substitute amendment for the amendment offered by the gentleman from West Virginia (Mr. STAGGERS).

The Clerk read as follows:

Amendment offered by Mr. CONTE as a substitute for the amendment offered by Mr. STAGGERS: On page 229, at line 11, delete chapter 8 and everything thereafter through line 10, at page 248, and substitute therefor the following chapter 8:

"Notwithstanding any other provision of law, the Postal Service is authorized to purchase, by contract or otherwise, the transportation of mail by rail, highway, air, water or any combination of these modes at the lowest practicable cost consistent with the best possible service, and any person from whom such transportation services are purchased is authorized to provide such services."

Mr. BURTON of Utah. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I am glad to yield to my friend from Utah.

Mr. BURTON of Utah. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, it has long been obvious that there is a pressing need for genuine postal reform legislation. I support such efforts.

However, I am deeply concerned over one major aspect of the bill now before us.

One of the fundamental principles upon which this Nation was founded was that of the basic rights of individuals.

In this Nation, we have always stressed the rights of citizens. We have the Bill of Rights, the right to vote, the right of a free choice, moral rights, civil rights. Always the word "right" is used. It has become an integral part of our heritage.

Mr. Chairman, I would like to discuss another one of our "rights" here today—the right to work for one's own Government without having to pay dues to a private organization.

The Post Office is a public service. It is now, and will be under this bill, financed in part by taxes. I do not believe that it ought to be subject, directly or indirectly, to rule of labor unions.

The right of a citizen to work for his own Government approaches an absolute right. It should not—it cannot—be conditioned upon payment of union dues.

It is this question that has delayed this legislation for so long. If the right of the postal employee "without fear of penalty or reprisal, to form, join, and assist a labor organization or to refrain from such activity" had been incorporated in this bill originally, the measure would probably have become law by now.

Only the desire for compulsory unionism of the 750,000 postal workers has blocked passage of this legislation.

If this bill were to deny the right of the postal workers to join a union, it would also be wrong, and an amendment would be in order. Therefore it is equally just for us to retain the amendment to the bill to protect the right of the postal worker not to join a union.

In my mind, there can be no doubt that the amendment of this bill to preserve the right of freedom of choice by the postal worker is in the best interest of responsible unionism.

A responsible union will attract new members. An unresponsive or mismanaged union does not deserve our help to increase membership. A responsible union does not need that assistance.

The concept of a union shop in public employment has been repudiated by President Kennedy, by President Johnson, and by President Nixon. The right of a postal worker to not be forced to join a union was protected by an Executive order issued by President Kennedy in 1962. It was supported at the time by Arthur Goldberg, then Secretary of Labor, who once told a labor convention, and I quote:

I know you will agree with me that the union shop and the closed shop are inappropriate to the federal government.

This right to refrain from union membership was preserved for postal em-

ployees through the Johnson administration and was endorsed by the Republican Party in its 1968 platform.

Now, in this legislation, we are forced to answer some basic questions—questions of basic rights. Shall the support of union leaders for compulsory unionism take precedent—through action of Congress—over the rights of the workers? Should the postal worker be the first in a chain of Federal employees to feel the sting of compulsion?

Let us not be fooled. If this measure is passed without protection of the freedom of choice of the postal workers, other Federal employees will then be in line for similar treatment. And after that, State, county, and local public employees will lose their right to voluntary unionism.

This has been made quite clear, in editorials in the AFL-CIO News, and in the words of George Meany, who said before the Post Office and Civil Service Committee that:

We in the AFL-CIO hope to be back before this committee in the very near future, urging adoption of a measure that will insure genuine collective bargaining for all aspects of employment for all civilian workers of the government. We think this bill is only a beginning.

Mr. Meany's goal is plain. He is not one to mince words.

This postal bill already does more for unions in the Government than any legislation until now. It officially recognizes unions as spokesmen for their members; it sets up a system for dealing with wages, working conditions, and grievances. Since it permits completely voluntary unionism, the section which permits compulsory unionism is neither needed nor good business.

I would like to add a comment which appeared in a newspaper in my home State of Utah. In the Deseret News, an afternoon newspaper in Salt Lake City, it states:

As the House Post Office Committee opens hearings this week on President Nixon's plan to set up a new U.S. Postal Service, it needs to keep in mind that the cure must be better than the disease. That the Post Office Department is long overdue for reform is well documented.

Letters mailed to an address fewer than 100 steps away take days to deliver; newspapers and magazines too often arrive days and even weeks after publication date; packages are often bruised and broken.

One area of postal reform which has aroused considerable concern is the drive to deny postal workers protection against compulsory unionism. Postmaster General Winston Blount raised a storm of criticism last year when he suggested that the originally-proposed postal corporation be unionized. And he has declared that one of the four essentials for true postal reform is collective bargaining between postal management and employees to determine wages.

Mr. Chairman, the Deseret News editorial then goes on to state:

Certainly the Post Office Department must be removed from politics if it is to allow for continuity of management. And it must drastically update its method of mail distribution by better methods and modern machinery. But no one has yet proved that taking away a government workers' right to either join a union or refrain without coercion will improve his efficiency or make the Post Office Department run smoother.

My mail is heavy on this issue. People are concerned. And they have every right to be.

The union shop—compulsory unionism—should not be negotiable for public employees. No worker should be forced to pay dues to any association in order to work for his government.

Mr. Chairman, may I summarize my feelings on this amendment.

Under the present law—a bipartisan policy which prevailed under Presidents Kennedy, Johnson, and Nixon—Federal employees have the right to join or refrain from joining a union without any fear of penalty. Without the Henderson amendment, postal administration officials and union leaders can negotiate contracts which would include compulsory unionization of postal workers.

The proposed amendment, which I urge that we retain, would merely retain the status quo—permit retention of the freedom of choice of postal workers with regard to union membership. I urge all of you to give sincere consideration to the justice of this amendment.

Mr. CONTE. Mr. Chairman, when Larry O'Brien appeared before our committee in 1967, Chairman STEED asked him the following question:

Mr. STEED. General . . . would this be a fair summary: that at the present time, as the manager of the Post Office Department, you have no control over your workload, you have no control over the rates of revenue, you have no control over the pay rates of the employees that you employ, you have very little control over the conditions of the services of these employees, you have virtually no control, by the nature of it, of your physical facilities, and you have only a limited control, at best, over the transportation facilities that you are compelled to use—all of which adds up to a staggering amount of "no control" in terms of the duties you have to perform. . . .

Mr. O'BRIEN. Mr. Chairman, I would have to generally agree with your premise . . . that is a staggering list of "no control." I don't know [whether] it has ever been put that succinctly to me. If it had been at an appropriate time, perhaps I wouldn't be sitting here.

After reading the transportation section of H.R. 17070, I do not think we will be improving the area of "no control" of the Postmaster General at all in the area of transportation. The Interstate Commerce Commission will still be setting the rates the Post Office has to pay for rail and truck transportation. The Civil Aeronautics Board will still be setting rates for air transportation. As a matter of fact, the Civil Aeronautics Board will be called upon to disapprove air transportation rates which would, in the terms of the bill, conflict with the orderly development of air transportation.

H.R. 17070 incorporates by reference practically all of the entire Civil Aeronautics Code and the regulations under it—sections 1301 to 1542 of title 49, as appears at line 14 of page 243 as section 856. That section of the bill would hamstring the Postmaster General and would prevent him from negotiating, and private shippers too, for air transportation at the lowest cost.

We have recently passed legislation which gave the airlines millions in new user charges. The Post Office should not serve as a means of financing the air-

lines. And certainly we ought not to be including higher transportation costs into H.R. 17070 in the name of postal reform.

The public interest, the taxpayers' interest, and better mail service will best be served by cutting postal transportation costs, by not hamstringing the Postmaster General and subjecting him to ICC and CAB jurisdiction.

I propose a very simple amendment which, in my judgment, will accomplish postal reform in transportation, save the taxpayers money, and help the post office operate efficiently. That amendment simply deletes the entire transportation section which begins on page 229 at line 11 and ends at line 10 on page 248 and substitutes therefor the following:

Notwithstanding any other provision of law, the Postal Service is authorized to purchase, by contract or otherwise, the transportation of mail by rail, highway, air, water or any combination of these modes at the lowest practicable cost consistent with the best possible service, and any person from whom such transportation services are purchased is authorized to provide such services.

Now, what can be wrong with such a simple, logical, economical, feasible approach in the interest of the taxpayers of the United States?

A vote for this amendment is a vote for better postal service and economy. To vote against this amendment is a vote for postal transportation at higher prices. We are asking the Postmaster General to operate the Post Office economically, but when we include page after page of special interest transportation language which ties his hands and does not give him the control Larry O'Brien said he needed when he appeared before our Committee, we are defeating the purpose of postal reform.

I urge adoption of the substitute amendment.

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

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

Mr. ADAMS. In answer to your question, you have put your finger on precisely what the problem is and why we of the Interstate Commerce Committee are here debating the point.

You have a series of regulated industries. In these regulated industries the postmaster is the shipper like anybody else and should be treated accordingly. If you put him in a special category of being able to contract, you will have him on a different basis than any other shipper in the Nation. We ship now by having tariffs for each regulated carrier. You go in and the regulatory agency sets the tariffs in the public interest; then the shipper buys it and he gets his transportation, and it is all over. The postmaster now receives this treatment plus having a series of special prerogatives.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SPRINGER. Mr. Chairman, I strongly support Chairman STAGGERS' amendment to delete sections 853 (a) and (c) regarding the air transportation of mail from the postal reform legislation. This section is the cause of much concern to members of the House Inter-

state and Foreign Commerce Committee. It should also be cause for concern to all Members of Congress. Each of us has a vital stake in the fostering and development of a sound, viable, dynamic, air transport system—one responsible to the needs of our constituents and the overall public interest. The scheduled airlines represent one of our most important public utilities. It must be protected.

Responsibility for fostering and developing a sound air transport system rests solely with the House Interstate and Foreign Commerce Committee, and since the passage of the Civil Aeronautics Act of 1938, the Nation's air transport system has served this country in outstanding fashion under the regulatory system devised by the House Interstate and Foreign Commerce Committee. This Nation's scheduled airlines have made remarkable strides and progress. We are most dependent upon this system. We must continue to foster its development.

Today, via the recommendations of a committee which does not have primary responsibility for protecting the economic stability of the scheduled airlines, legislation has been proposed which—if permitted to pass—could jeopardize an air transport system which has been carefully developed to serve the needs of this country.

Simply put, the Postmaster General desires to have the broad authority to contract with scheduled and nonscheduled carriers for the carriage of mail—at rates lower than those established for good and sufficient reason by the Civil Aeronautics Board.

The Civil Aeronautics Board, since 1938, was directed and empowered to fix fair and reasonable rates of competition for the transportation of mail by air carriers. This regulatory rate system was enacted because of the rate wars which were rampant in the late thirties when the Post Office Department had the authority to award airmail contracts to the lowest bidder. Chaos resulted. Cutthroat competition was the order of the day. The net result was that the economic stability and health of the Nation's air transport system was drastically impaired. If the pending legislation is passed by this Congress, authorizing the Postmaster General to contract for mail transportation by air, I can assure you that this will ultimately lead to a resumption of the cutthroat competition which this Congress found detrimental to the air transport system and the public interest in 1938. There is absolutely no question that the rate aspects of sections 853 (a) and (c) contain the seeds for the introduction, once again, of uneconomic conditions into the air transportation industry—an industry which already faces great economic difficulties.

Congress has been down this road before. The Postmaster General, once again, seeks the contract authority he once had with the scheduled airlines. The Postmaster General, once again, seeks to exert substantial economic control over the airlines. This should not be permitted to happen. This is a disastrous path to take.

If the air carriers are forced into a competitive contract situation, carriers

will be under extreme pressure in order to get this needed business, to price its mail service at less than full cost in order to underbid competitors. In doing so decreased mail revenue will mean increased cost to other classes of traffic in order to recoup revenue losses. Under the regulatory system inaugurated by the House Interstate and Foreign Commerce Committee, the Civil Aeronautics Board has jurisdiction over all classes of traffic and has the responsibility of maintaining a balanced revenue system with regard to passengers, freight, and mail. The Post Office Department, by law, does not have this responsibility nor will it under the proposed postal reform legislation. It only seeks the authority to find a way to cut costs of the transportation of mail by air—regardless of the outcome to the air transportation system.

If the Post Office Department is particularly desirous of seeking change regarding the air transportation of mail then such change must be sought through the advice and counsel of the House Interstate and Foreign Commerce Committee so ably guided by Chairman STAGGERS. Legislation which plants the seeds for further uneconomic conditions in the air transport industry and which could have far-reaching ramifications must not be permitted to pass without having been reviewed in depth by the House Interstate and Foreign Commerce Committee. The House Post Office and Civil Service Committee has done a remarkable job in this massive postal reform bill. However, reform of the overall air transport system is not the main thrust of the bill, nor is it a necessity. If there is a need to change the Federal Aviation Act, then the House Interstate and Foreign Commerce Committee stands ready to change the Federal Aviation Act to meet those needs. The Federal Aviation Act and its well designed regulatory procedures is designed to stabilize the air transport system; any legislation which would go outside this system, usurping the Civil Aeronautics Board's authority or the authority of the House Interstate and Foreign Commerce Committee would do just the opposite.

Mr. CONTE. If the gentleman will yield, is it not also true that if the passenger fares charged are too low, and do not carry their fair share of the load, then the mail users are being taxed for it?

Mr. SPRINGER. That is not true. They have always set the rates for passengers at a compensatory rate. They have always set the mail rates the same.

Mr. CONTE. Your airmail, or the users of the air?

Mr. SPRINGER. That is correct; they have had control, they have had the right to set the rates for both, but if you take either one of them away from them then they have to put it on the other one. That is exactly the way it works. It is mandatory, it is in the law, they have to do it. That is the reason they have to have control of the mail rates, they had to be sure the mail was carried at a rate that is commensurate with breaking even.

Mr. DINGELL. Mr. Chairman, I rise in support of the amendment offered by the

gentleman from West Virginia (Mr. STAGGERS), and in opposition to the amendment offered by the gentleman from Massachusetts (Mr. CONTE).

Mr. Chairman, I think that a bit of understanding on ratemaking, on the ratemaking structure, and what these two amendments do would be helpful here.

I rise in support of the amendment offered by my friend and chairman, the gentleman from West Virginia (Mr. STAGGERS), and I rise in vigorous opposition to the amendment offered by my good friend, the gentleman from Massachusetts (Mr. CONTE).

You know, we have worked a long time to build up a structure of sound regulatory agencies in this country which would assure that all persons, Government, corporate users, passengers, and other system of transportation, be treated fairly and be treated alike.

Our Committee on Interstate and Foreign Commerce has worked for years to assure that this system be as fair as possible, and to see to it that nowhere in the regulatory structure is there a place where an economic giant can come in and can destroy the rate structure and force rates down for his own benefit to the detriment and hazard of other users and to the detriment and destruction of the carriers.

The committee bill is very simple on these points. It says to the giant U.S. Post Office, one of the largest if not the largest shipper in the country, will be able, henceforth, to go in and use its bargaining power and the enormous leverage of the U.S. mail to force carriage and the cost of carriage of airmail down.

The Conte amendment is even a little broader. It says you can take the U.S. mail, if you are the Postmaster General, and use the terrifying bargaining power the mail contracts afford you to force down rates on all carriers for the carriage of the U.S. mail in your dealing with all carriers, via air, water, and land. That is very simply what it says.

What happens under the committee bill is that the carriers will not be hurt, because you have the regulatory structure which is going to take up the slack and raise other rates to keep up their profits. Under the CAB law the regulatory structure has got to come in and to make the other kinds and other users, passengers, freight shippers and other users pick up the slack and pay the additional cost.

So if the committee bill goes through, you can be sure that the third-class mailers, and the Postmaster General, and the first-class mailers are going to get a break.

But you can be absolutely certain that the passengers, the freight shippers, and other users of the airlines are going to get it right squarely in the neck, and be compelled to pay for mail shipment preference extorted by the Postmaster General on behalf of the mail users through the mail contracts.

If the Conte amendment goes through, you can be sure the users of any of our transportation systems including the airlines, water carriers, railroads, truck and business, are going to get it in the neck; and the U.S. Government is going

to go in and seek preferential rates at their expense.

If you want to look at a bad system, look at section 22 preferences which are extended by the railroads to the Government in a similar situation. You will find it affords a widely used opportunity for rate preferences, for beating down the rates, and for getting highly preferential treatment for the Federal Government at the expense of other users.

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

Mr. DINGELL. I now yield to the gentleman; the gentleman wants to defend the committee bill and I think he ought to be afforded the opportunity. It is a bad bill but he should be given a chance to defend it.

Mr. UDALL. The gentleman does not want to leave the impression that some giant airline can come in and offer a cut rate without any control by anyone.

Mr. DINGELL. No, I said the Postmaster General could come in and start dickering between the airlines to get the best possible situation—and he would get it.

But the transportation users would get it in the neck unless the Staggers amendment is adopted.

I yield further to my colleague.

Mr. UDALL. Would the gentleman not agree that in the bill at page 244 every one of these negotiated contracts would have to go to the CAB and be disapproved if not in the public interest.

Mr. DINGELL. In a most remarkable fashion. These are not approved or considered in the standard fashion. These are simply given to the CAB after the deal is cut. Then the CAB gets a 90-day look at them to see whether or not they are in the public interest.

The CAB is a tremendously overworked institution. It does not have the time to handle these things on an ad hoc or case-after-case basis. It has an orderly procedure for assuring that the public interest is considered and the safety of the airline facility is fully provided for and to assure that rates for all classes of users are set at a fair and proper level under the law.

The committee bill would expressly negate this requirement of the law with regard to the CAB and would return to the highly obnoxious situation that pertained in the airline industry when we used to allow the Postmaster General the same power to extort, and I use the word advisedly—to extort highly preferential and extremely unfair rates on behalf of the Postmaster General and the Post Office to the detriment of other airline users.

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

Mr. DINGELL. I yield to the gentleman from Tennessee.

Mr. BLANTON. Would it not in fact if we do not adopt this amendment allow the Postmaster General not only to create new airlines and completely avoid CAB control but also allow him to create new trucklines and rail routes?

Mr. DINGELL. The gentleman is absolutely correct.

Mr. DERWINSKI. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Illinois is recognized.

Mr. DERWINSKI. Mr. Chairman, I cannot be as diplomatic as the gentleman who just addressed the House. But this is really an ambush of the bill. With all due respects to the gentlemen on the Interstate and Foreign Commerce Committee, I wish they would approach this with a bit more objectivity than merely maintaining committee jurisdiction. We are not processing postal reform to irritate the members of the Interstate and Foreign Commerce Committee. We are processing postal reform in the interest of all the citizens of the country.

I would suggest that the gentleman from Michigan who just spoke in effect gave us the answer by which we should defeat the Staggers amendment. In answer to the gentleman from Arizona, he pointed out the reason that the 90-day provision would not be satisfactory is that the CAB had such a tremendous overload but, we were told, for the last 30 years this committee has looked after the CAB and protected them.

What sort of job have you done? You have created a bureaucracy that could not function within the 90 days we envision under the bill. So I would suggest that the Members of the committee straighten out the CAB so they can provide service and then properly serve the postal service.

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

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

Mr. MOSS. I would observe that the Committee on Interstate and Foreign Commerce has done at least a better job than has the Committee on Post Office and Civil Service. We are not here asking for a total reorganization of the area under our jurisdiction.

Mr. DERWINSKI. The reason for that is that the gentleman has no intention of giving up any jurisdiction. I realize our committee has been at a great disadvantage in not having the gentleman serve with us, but we have been trying to overcome that.

Mr. MOSS. Mr. Chairman, will the gentleman yield further?

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

Mr. MOSS. I served 4 years upon the committee upon which the gentleman serves, I believe with some degree of distinction. I know the problems the committee has. But I also know that the Committee on Interstate and Foreign Commerce, one of the great committees of this House, does not have to apologize to the gentleman nor to any other Member of this body for the legislative record he has achieved or the oversight in his exercise.

Mr. DERWINSKI. Let me emphasize that I have the highest regard for your committee. I was merely quoting a statement that pointed out that the CAB was not in a position to effectively work within the 90-day period that our bill would provide.

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

Mr. DERWINSKI. I yield to the Chairman of the committee.

Mr. STAGGERS. In my presentation

I do not believe I spoke too much about committee jurisdiction. I spoke primarily about the public interest of this Nation. That is what I wish to emphasize. It would cut out something we have done. Let us rescind the language in the bill for the safety of the men and women who will fly on the airlines.

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

Mr. DERWINSKI. I yield to the gentleman from North Carolina.

Mr. HENDERSON. Mr. Chairman, the language of the bill is that—

Each such contract shall be filed with the Civil Aeronautics Board for approval and shall become effective unless the Board, within 90 days after filing, disapproves the contract upon a finding that it is not consistent with the public interest.

If the term "consistent with the public interest," as provided by the law is not sufficient, the Interstate and Foreign Commerce Committee can amend it. We do not know exactly what the term "public interest" means, but we are willing for the contracts to be disapproved if they are not consistent with the public interest. We do not know what else we could do with this provision.

Mr. Chairman, in order to make legislative history I would point out that section 853(a) of the new title 39 contained in H.R. 17070 would authorize the Postal Service to contract with certificated air carriers for air transportation of mail between points between which the carrier is authorized by the CAB to engage in air transportation. This provision holds the promise of important flexibility in mail transportation and would contribute significantly to overall economies in postal service. Section 853(a) would require that each such contract be filed with the CAB for approval and that such contracts would become effective unless the Board, within 90 days after filing, disapproves the contract upon a finding that "it is not consistent with the public interest as provided by section 1302 of title 49 of the United States Code."

The standards thus prescribed for CAB disapproval are not as clear as they might be. Accordingly, it is important that the legislative history of this significant provision include clarification of just what we have in mind as criteria for the Board to follow in reviewing such contracts.

Section 1302 of title 49 sets forth very general guidelines for the Civil Aeronautics Board to follow in the exercise and performance of all its various powers and duties. Section 1302 refers to the "encouragement and development of an air-transportation system properly adapted to the needs of the United States," to the regulation of air transportation so as to "foster sound economic conditions" and "to improve the relations between air carriers," to "the promotion of air carrier service without unjust discriminations or undue preferences," to "the promotion, encouragement, and development of civil aeronautics," and so forth. Many of these guidelines—which as I have already noted, apply to all the various functions that the Board performs—will obviously have only mar-

ginal significance when it comes time for the Board to determine whether particular contracts for the air transportation of mail under 39 U.S.C. 853(a), as contained in H.R. 17070, should be disapproved. The primary focus of the Civil Aeronautics Board's inquiry should be on the question whether contracts entered into pursuant to section 853(a) are compensatory to the carrier. It is important that the Board be empowered to veto noncompensatory contracts because this power will permit the Board to insure that air carriers do not make contracts at prices below their out-of-pocket costs. Such contracts could result in losses on mail business indirectly resulting in charges against passenger and freight traffic, and that would be manifestly improper.

The Civil Aeronautics Board, in testifying on the postal reorganization bill, expressed concern over the possibility that cutthroat competition among air carriers might result from a provision authorizing the Postal Service to contract with such carriers, with the result that mail costs might be shifted to other classes of traffic. Under H.R. 17070, the CAB would have jurisdiction to prevent such below-cost contracts; and that is the purpose for which the authority vested in the Board by § 853(a) should be exercised.

As I have said, section 853(a) holds the promise of significant contributions to improvements in mail service, conjoined with overall economies in mail service. It is not intended that contracts freely entered into between air carriers and the postal service under this section should be overturned by the CAB on the basis of some vague apprehension that such contracts might not "preserve the inherent advantages" of air transportation, or might not be conducive to "the promotion of civil aeronautics," or might not otherwise jibe with some general preconception of the Board. Rather, we would expect Board disapproval only if it is clearly and definitely shown that a specific contract would be noncompensatory to the air carrier or demonstrably inconsistent with the public interest in some other definite and objectively provable respect. In short, we would expect CAB disapprovals of these contracts to be extremely rare. The basic decision to enter into these contracts is that of the air carrier and the postal service—not that of the CAB—and I make these remarks to be sure that the "legislative history" makes this clear to all.

Mr. DERWINSKI. I wish to reemphasize that we do not wish to invade the jurisdiction of the Interstate and Foreign Commerce Committee, but merely to provide "postal reform."

Mr. DULSKI. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman and my distinguished colleagues, I like this combination of "Dingell to Derwinski to Dulski." I do not know how it will turn out.

After hearing some of this debate, I feel rather like a usurper, that our committee is trying to usurp some other committee's job. I am pretty sure our committee is as jealous of its prerogatives as

is the Committee on Interstate and Foreign Commerce. I am sure the members of the Interstate and Foreign Commerce Committee are here expressing their views.

But I wish Members would appreciate the great complexity of the task and the bill that has been before our committee. I stand here before you and I make no apologies for section 853. I did not vote for the section in the committee, but I felt it was the wish of the President of the United States, as the Postmaster General testified before our committee. In his testimony he explained the need for flexible authority to obtain transportation of the mail. As the gentleman from Massachusetts (Mr. CONTE) said, the Postmaster General's hands were tied on many things such as financing and others.

So we thought it would be in the best interests of the public to have something in the bill to give flexibility to the Postmaster General. I am rather disappointed with some of the Members on the other side of the aisle who want postal reform, and I am saying I respect every Member of this House, but we have to realize that in order to have this flexibility, we have got to relax some of the powers.

Mr. Chairman, this amendment highlights yet another instance of postal problems resulting from the present division of authority among various agencies and committees which adversely affects the postal service.

I understand the value of the general public policy embodied in the Federal aviation laws and the desirability of improving air transportation facilities for the public at large.

However, I do not believe that the postal service—and especially the rapid and economical transportation of the mails—should or need be sacrificed in carrying out that policy.

The committee bill in no way damages our national air transportation policy. But it does revise the postal laws so as to reconcile the overruling need for improved mail transportation with our general air transportation policy.

The general mail transportation contracting authority in section 853(a), on page 244 of the committee bill, grants the postal service only the minimum authority to contract with air carriers that it must have to perform its duty to provide efficient and economical mail service to the public at large.

The final sentence of the subsection gives the CAB ample power to disapprove any contract proposed by the postal service if the CAB finds that the contract is not consistent with the public interest under section 1302 of the Federal Aviation Act.

This provision was placed in the bill by an amendment adopted in our committee by a 16-to-7 vote. With this language, the public necessity in terms of both general transportation facilities and efficient transportation of the mails will be served.

On the other hand, the amendment now before us would wipe out the most important postal transportation reforms

recommended in the public interest by the President of the United States and approved by the Committee on Post Office and Civil Service.

I urge that the amendment be voted down.

Mr. Chairman, those are my views.

Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto end at exactly a quarter to 6.

Mr. MOSS. Mr. Chairman, I object.

MOTION OFFERED BY MR. DULSKI

Mr. DULSKI. Mr. Chairman, I move that all debate on this amendment and all amendments thereto end at 5:45.

Mr. MOSS. Mr. Chairman, a point of order. The gentleman from New York has just addressed the Committee for 5 minutes. He was recognized for that purpose and not for the purpose of moving a limitation of time.

The CHAIRMAN. The gentleman may make a motion whenever he gets the floor.

Mr. DULSKI. Mr. Chairman, I withdraw my motion.

Mr. UDALL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this amendment illustrates much of what is wrong with the present postal operation. Everyone stirs the soup.

The Postmaster General cannot move the mail. He is controlled and hedged and surrounded by so many restrictions he cannot really give us the kind of efficient postal service we need. This is an example.

I should like to see the Postmaster General have approximately the same flexibility that any other large commercial operation has for the moving of his product.

If one is working for A.T. & T., for Sears Roebuck, or for Woodward & Lothrop, and one has to get some boxes to Philadelphia, he shops around and asks, "Is there a truck going? Is there an airline? A railroad? A boat?" And he makes the best deal he can get.

So what did we do in the committee bill? We gave the Postmaster General in this new operation a choice of all the different options that he might get. We have said to him, in the airlines section, "Take your pick. You can go to the airline and demand, as a certificated carrier, that they move the mail, or you can go to that airline and you can ask what kind of a deal they will give to you. You can tell them that you have mail to move and ask them what they bid. If the airline agrees voluntarily to that negotiated contract, that contract then goes to the CAB and it must be sent there for approval."

We are not taking the CAB out of the picture. We leave the CAB in the picture.

In fact, philosophically I agree with the gentleman from Massachusetts (Mr. CONTE) and the gentleman from Oklahoma, (Mr. STEED) who perhaps know more about this subject than any other Member in the House. I believe it is extremely significant that the gentleman from Oklahoma is waiting recognition to support the Conte amendment.

The Conte amendment would enable the Postmaster General to ignore the CAB and to ignore any provision of law regarding railroads, and simply go out and contract for the carriage of mail in the best and cheapest way.

I emphasize this point: It is strange to me that this same contract authority to go out to shop around with the airlines, to see the best deal he can get for the public, for the mail users, has been extended by law to the railroads for the last 30 years. The committee wrote in the provision and gave him the same contract authority for trucks.

Now the Committee on Interstate and Foreign Commerce comes in. They do not object to this contract authority for the railroads. Not a whistle is heard about this contract authority for the trucks. But they come in and say, with respect to the airlines, it would be very bad to have this for the airlines, to allow the Postmaster General flexibility to go out to contact with the airlines, to see what he can do, even though he must come back to the CAB to get approval for that contract.

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

Mr. UDALL. I yield to the gentleman from Washington.

Mr. ADAMS. I want very quickly to state to the gentleman that under the airline legislation, which is what we are dealing with here, there is no option for any type of contract or any kind of carrier, and the Postmaster General is in precisely the same position as any major shipper in the United States. He can select the route. He will get the same price for it. If the price is above what he thinks is right, he has a special right to go to the CAB to see if he can knock it down.

Mr. UDALL. Why does the gentleman object to letting the Postmaster General shop around to get a favorable contract, when the CAB will determine whether it is in the public interest?

Mr. ADAMS. Because what will happen is that then he will go out and make a contract with a supplemental carrier on the heavy route between New York and Chicago.

Mr. UDALL. Why should he not have authority to make such a contract, and then let the CAB disapprove it if as much of this occurs as the gentleman suggests?

Mr. ADAMS. Because the CAB would have to say to the airlines that they are no longer required, as they are now, only with the mail, to take it every place they land in the United States.

Mr. UDALL. No one looks out for the Post Office, but every one looks out for the airlines, everyone looks out for the United Parcel, everyone looks out for the people who deal with the Post Office. No one wants to give the Postmaster General the power to do the kinds of things anyone would want to do in a commercial operation.

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

Mr. UDALL. I yield to the gentleman from West Virginia.

Mr. STAGGERS. I believe we are trying to look out for the people, not just

the mail. I have emphasized time and time again that we are trying to look out for people. We believe the lives of people are a little more important than the mail.

Mr. UDALL. I agree with the gentleman.

Mr. STAGGERS. In 1948 the Honorable Lyle H. Boren, a member of the Committee on Interstate and Foreign Commerce, said that some bids had been opened by the Post Office Department. Some of them bid 30 cents, and some of them bid 1 mill. He said that the 30 cents was honest and that the 1 mill was not.

Mr. UDALL. The Civil Aeronautics Board can turn down the cheap bid.

Mr. SAYLOR. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman and members of the committee, yesterday when we had an amendment offered by the distinguished gentleman from Texas (Mr. WRIGHT) I said that that was the solution to the worst can of worms that has ever been presented to this Congress, and that what we should do is give the postal employees an 8-percent raise and make it retroactive and forget about it.

Now, we have been standing here all day today debating on matters which have just shown how bad this bill is. If this committee would have done the proper thing, having invaded the jurisdiction of the Committee on Interstate and Foreign Commerce, they would have had the common courtesy to send this bill and that portion of it over to that committee, and ask them for their comments and their support. But, no, they do not do that; they completely disregard the rules of the House. They completely disregarded every rule of germaneness. They have just come in here and taken what they thought was necessary.

The gentleman from West Virginia has said what we are interested in in his amendment is people. It just shows we have an interest in people. Now let us support this amendment offered by the gentleman from West Virginia and defeat the amendment offered by the gentleman from Massachusetts (Mr. CONTE).

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

Mr. SAYLOR. I am happy to yield to the gentleman.

Mr. GRAY. I thank my friend for yielding and merely point out that the Post Office and Civil Service Committee did the same thing with the Committee on Public Works as they did with the Committee on Interstate and Foreign Commerce.

Mr. UDALL. Will the gentleman yield?

Mr. SAYLOR. Yes. I yield to the gentleman.

Mr. UDALL. How in the name of heaven can you write a total postal reform if you do not take in the whole subject of the Post Office? We have a labor-management section which goes into the field of the Labor Committee. We have dealt with veterans' rights here, which goes to the Committee on Veterans' Affairs. We have dealt with appropriations, which goes to the Appropriations Com-

mittee, and we have dealt with matters of finance, which go to the Committee on Banking and Currency.

Mr. SAYLOR. You have had your say. One of the reasons why you stood up here saying that you wanted congressional reform is that when a Member comes in the House he becomes an expert in a certain field dependent on the committee to which he is assigned. You on the Post Office and Civil Service Committee have in this case and in this bill tried to become experts on everything. We have people in the Committee on Education and Labor who are experts in their field. We have people in the Committee on Interstate and Foreign Commerce who are experts in their field. We have people on the Veterans' Committee that are experts in their field. You have ignored the Appropriations Committee, the Committee on Public Works, the Committee on Banking and Currency and their expertise. And you ignored them. You, Mr. UDALL, have ignored the very principle you are gaining national attention on your views on congressional reform. You have a hodgepodge in this bill, and the more amendments there are offered to it the more it proves how bad the entire bill is. The whole thing ought to be voted down. You ought to have taken the Wright amendment in the first instance. But if you must have a bill please adopt the Staggers amendment.

Mr. HOLIFIELD. Mr. Chairman, I rise in support of the Staggers amendment.

Mr. Chairman, I rise in support of the amendment offered by the distinguished chairman of the House Interstate and Foreign Commerce Committee, which would strike section 853 from the bill.

Section 853 dealing with contracts for transportation of mail by air, would in effect amend the Federal Aviation Act of 1958, and would make it impossible for the Civil Aeronautics Board to properly perform its regulatory responsibilities and implement the commercial air transportation policy laid down by the Congress in its mandate to the Civil Aeronautics Board under that act.

Although under section 853 the Civil Aeronautics Board would still have some limited surveillance authority over contract rates to be established by the postal service for the transportation of mail by air, the CAB would be powerless to prevent the diversion of mail to nonscheduled air carriers which are not now authorized to carry mail, and which have no responsibility otherwise to serve the daily requirements of commerce and the public convenience and necessity, by providing regularly scheduled services over any route.

Any air carrier could perform the negotiated contracts proposed under section 853, with any kind of obsolete equipment, leased or otherwise. Such a policy controverts and does violence to our national objective of developing the most modern airlift capability possible to serve the requirements of commerce and the national defense.

The entire spectrum of CAB responsibility and regulatory authority for the development of adequate civil air transportation in the United States, would be seriously disrupted by the airmail con-

tracting authority proposed for the postal service in the bill now before you. The CAB overview and ability to provide constructive competition and proper development of all types of services on air routes, to best serve the public interest, should not be crippled by permitting the postal service to indiscriminately divert mail to air carriers which are not authorized by the Civil Aeronautics Board to transport mail, and whose principal business is to conduct military charters and irregular charter services for occasional shippers, or for groups on vacations.

In considering the merits of permitting the now unauthorized nonscheduled carriers to carry the mail, attention may be directed to the fine record which these carriers, like other U.S. carriers, have made in participating in military airlift operations, and in the Civil Reserve Air Fleet. My Subcommittee on Military Operations has since 1958 made a comprehensive and continuing study of military airlift policies, and of the need for developing civil airlift capacity, as a necessary reserve for the military in wartime emergencies. I compliment the nonscheduled supplemental air carriers on their cooperation in this effort—but, I believe it is very important to point out at this time that by far the major dependence of the military for civil airlift in wartime must rest on the scheduled air carriers of the United States—of the approximately 371 long haul jet aircraft now in the Civil Reserve Air Fleet, that would be available to the military in a fully activated national emergency, 332 of these aircraft would be provided by the scheduled carriers. Included in these aircraft are 195 critically needed long-range jet cargo and convertible cargo aircraft, of which 156 would be provided by the scheduled carriers. The three scheduled all-cargo carriers alone, would provide as many of these long-range cargo aircraft to the military, as would all of the supplemental carriers combined.

I understand that the nonscheduled supplemental air carriers have committed all of their jet aircraft to the Civil Reserve Air Fleet—subject to call by the military in emergencies. This is most commendable, and it also puts these carriers in a better competitive position to receive a larger share of available military peacetime business, than would otherwise be possible under the incentive formula for such awards which has been established by the military contracting authorities. Having this 100-percent commitment from the supplemental carriers is of some advantage to the military authorities in planning for wartime emergencies—however, this would be a decided disadvantage to the mail service in a wartime economy. Mail contracts with supplemental air carriers must be subject to cancellation in national emergencies, and the mail involved in any such complex would have to be dumped back on the scheduled carriers, who in the meantime would likely have been forced to reduce their capacity to adequately handle the mail under such circumstances.

Last year, the U.S.-scheduled air carriers recorded their greatest decline in

earnings in their history, when net income for these scheduled carriers fell to \$55.3 million, from \$216.1 million in 1968. Their rate of return on investment was 3.3 percent in 1969, compared with 5 percent in 1968. This unhappy trend has continued in 1970. The scheduled airline industry is currently committed to a \$6.6-billion reequipment program, and if the low level of earnings continues, these airlines may be forced to reevaluate their equipment purchase plans—and perhaps make some cancellations. The scheduled air carrier industry has been hurt by major increases in operating costs, the repeal of the investment tax credit, reductions in mail rates, and growing competition from foreign airlines. This seems to be a most inappropriate time for the Government to propose and for the Congress to enact legislation which would authorize and encourage the diversion of U.S. mail from these carriers.

It would seem reasonable that the new postal service should have as a primary concern providing fast, dependable transportation of mail by air, at as reasonable rates as can be obtained consistent with sound air carrier operations—and as are so determined by the appropriately qualified Government agency which has been designated by the Congress in the Federal Aviation Act to make such determinations.

Mr. Chairman, section 853 of this bill cuts squarely across the jurisdiction of the Committee on Interstate and Foreign Commerce, and the Civil Aeronautics Board. This section could seriously impair national air transportation policy, and should be stricken from the bill.

Mr. CUNNINGHAM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman and members of the Committee, I want to comment primarily at this time because of the comments made by the gentleman from Pennsylvania a moment ago.

Yesterday, as well as today, the gentleman has made fun of this bill. He has called it a "can of worms." I want you to know that this is a very complex bill; it has been worked on for a long time, and it is not a can of worms, but it does make some drastic changes.

I want to tell you this: it is no laughing matter. If this bill is not passed tonight, and then speedily passed by the Senate, you are going to have the worst strike that you have ever had in the history of this country in the mail service.

I say again it is no can of worms.

I am not going to talk about the amendment that is pending because I am a member of both the Post Office Committee and the Committee on Interstate and Foreign Commerce, but I will say we have members on our Post Office Committee who are on other committees. We have members who are on the Committee on Education and Labor—Mr. WILLIAM D. FORD is one. We have members on the Veterans' Committee. We have members on various committees other than the Post Office Committee.

But I implore you to take this debate seriously because you are treading on thin ice at this moment. If you do not

take this seriously you will regret it. What we are doing is removing from the President's Cabinet a Cabinet position. We are making drastic changes that must be made if we are to avoid a complete breakdown in our postal system.

So there are going to be tempers raised and there are going to be people who are trying to make fun and laugh off some of the problems that they are not familiar with, but that the members of this committee are familiar with. So I say to you in all candor and honesty, please give this bill your honest consideration. I am not going to beg that you vote one way or the other. But do not say that this is a can of worms, because it is not—it is complex—that is true. But we are making a major departure from past procedures, and naturally there is going to be some confusion on the part of some Members of the House. If you do not pass this bill, and if it does not speedily pass the other body, you will regret the day that you ever voted against it.

Mr. STEED. Mr. Chairman, I move to strike out the last word and rise in support of the Conte amendment.

Mr. Chairman, I rise in support of the Conte amendment.

I think my colleagues will admit for one thing the adoption of the Conte amendment would certainly end this disagreement here about the jurisdiction of committees.

My purpose in making these remarks is that I believe while this discussion is very important and very interesting, we may be getting a little bit off of the track.

It seems to me what we are concerned with here today is the program that will permit the Post Office Department to collect and deliver mail to the American people.

This transportation section deals with probably the most difficult and the most critical part of the work of the Post Office Department in performing their duties.

I have been connected with the budget of the Post Office Department longer than any other Member of this Congress save one, and I think I have been involved in postal problems as long as most Members of the House.

Year after year one of the most difficult things we have had is to try to help the Post Office Department to meet the very complicated problems that come up in the field of transportation.

Let us see what we are talking about here. The bill this coming year for postal transportation is just a little \$630 million. We are going to have in the postal budget next year a little deficit of \$2,500,000,000 and maybe \$2,800,000,000.

Do we want the Postmaster General to collect and deliver the mail or do we want to have him subsidize the transportation system of America?

Why should he not be given the freedom that he needs to meet the very complicated types of transportation problems that he has to meet?

He has to collect 84 billion pieces of mail and to distribute that mail through over 30,000 distribution points to people

who live in 56 million different places—and he needs every kind of transportation facility that we have and some that we do not have.

Unless we think a bunch of rascals are going to be placed in charge of the Post Office Department, it seems to me the sensible thing for us to do in a ball game as important as this is, to give these managers of the Post Office Department a free hand to go into the field of transportation and to make the best deals that they can in the public interest and to try to get the mail delivered to the American people.

No one wants anybody to do business with the Post Office Department or anybody else at a loss. I do not believe that the responsible people who will be running the Post Office Department are going to be rascals and charlatans who are going to go out and try to destroy our airmail system, our railroad systems, or anything else.

Responsible people, if we keep putting them in a straitjacket as is proposed here on many of their problems, will not be able to do the job that postal reform has been planned to do for the people of this country, and which we hoped it would do. Just remember one thing, my friends. As big as the problem is now and as costly as it is now, it will never get any less. The projections for the next 10 or 20 years are staggering. If there ever was a time when our postal managers will need elbow room and freedom to cope with their problems, many of which have not yet been visualized, now is the time that we ought to give them that authority here, and the Conte amendment would do that. I believe that this is just good commonsense, if we are more interested in delivering the mail than we are in trying to subsidize some other type of operation.

Mr. GUBSER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have been listening to this debate with great interest, and I for one feel that the Post Office and Civil Service Committee has done an honest job in attempting to bring about much needed postal reform. I think their motivation in presenting the section of their bill currently in controversy has probably been to provide the most efficient and low-cost service the Postmaster General can get.

But I believe the committee has overlooked the old lesson contained in the story of "Robbing Peter To Pay Paul," or taking money from one pocket and conveying it to another.

Let me explain what I mean. Just a few moments ago I had a conversation with the ranking Republican member of the Interstate and Foreign Commerce Committee, the gentleman from Illinois (Mr. SPRINGER). He told me that, when he came to this Congress, almost every trunk airline in this nation was subsidized. As of today not a single trunk airline is subsidized by the taxpayers of the United States. He said that one of the reasons this has happened was the very law which would for all practical purposes be repealed by this section of the committee bill. It was the jungle, the

chaos of the unregulated airline industry of those days which had to be corrected, and which was corrected in the law.

All this amendment would do, the Staggers amendment, would be to preserve the present law. And what does that law do for us? It gives us some semblance of order in the setting of rates.

Every time we pass a construction bill, every one of us votes in favor of adding the Davis-Bacon provisions to it, which say that prevailing wage rates shall be paid in Federal construction. Every single one of us never loses an opportunity to vote for prevailing wage rates and prevailing labor practices. We expect the Federal Government to pay what it costs to do business today. Why should the Post Office Department be an exception? These rates are set not for the profit of an individual company. They are set in the public interest. If you disturb the ratio or the balance which exists today, you are going to restore the chaos which gave us the airline subsidies, so obnoxious to the American taxpayer.

I suggest that CAB certification and CAB regulation is in the public interest, and if we chip away piecemeal, as we would do in this bill, we are taking a step away from the protection of the public interest. We are inviting fly-by-night operators who would buy an aircraft held together with baling wire, so to speak, and who will probably go broke before completing a contract.

This is a thing we should not toy with. I respectfully urge that we do not change the basic law under these circumstances, and that we let the appropriate committee study it carefully and come up with its recommendations. Remember, this only preserves the present law; the committee bill would emasculate it.

Mr. ADAMS. Mr. Chairman, I point out the gentleman has touched exactly on the point, that the Federal Government is expected to pay for the services it gets. For example, if we take mail from New York City to Chicago to the west coast, we have many little towns in between. At the present time the Postmaster General can select the route. He has a flat ton-mile rate throughout the United States. He pays for what he gets. If we go to this proposal we will have a contract from New York to Chicago where everyone will want to bid on it, but it will unhinge the others. The rates from New York to small towns will go up, and then pretty soon we will find the small-town service will deteriorate or will be nonexistent.

Mr. MOSS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I point out this is the 23d amendment to be considered in 2 days. It is the second to be offered by a nonmember of the Post Office and Civil Service Committee. It is being offered to this committee by the express direction of the members of the Committee on Interstate and Foreign Commerce. There was no dissenting vote cast in directing the chairman of that committee to offer this amendment.

The Conte amendment would do even more violence to the orderly regulation

of the common carriers and of transportation than would the committee amendment, but the committee amendment goes far beyond anything that should be considered by us here today under the conditions which prevail.

For one thing, it is quite faulty in its drafting. I do not know whether the CAB in considering a contract within this 90-day period would be required to give any notice or afford opportunity for hearing. The bill is silent on that. I do not think there is anyone who could tell us what the procedure might be that would be employed by the CAB in considering these contracts, but I do know that if the consideration was not completed in 90 days and the full impact measured upon the air transport service of this Nation, the contract would become effective.

I think it is extremely important in this House, if we are to have orderly legislative processes, that we respect the jurisdiction of the committees established by the Congress to handle the business of the Congress. The Committee on Interstate and Foreign Commerce in two instances this year has encountered legislation which did impinge upon the jurisdiction of other committees. The first was the automobile and highway safety legislation, and in that instance the Committee on Interstate and Foreign Commerce conferred with the chairman and the ranking minority member of the Committee on Public Works, and an agreement was worked out which did in no way impinge upon the jurisdiction of the Committee on Public Works.

When we had the airways legislation before us, it became necessary that we consider revenue measures. We did not undertake the jurisdiction of the Committee on Ways and Means, but a separate section was added to the bill, a section which was considered and written and reported by the Committee on Ways and Means.

That is the way we maintain the integrity of the jurisdiction of committees of this House and it is the way we prevent violence being done to institutions of Government which have been carefully and thoughtfully put together because of experience gained when they were not operating.

The CAB has its imperfections, but it does a fine job overall of regulating an extremely complex transportation system, one which is growing at an astronomical rate. To throw this sort of barrier or roadblock into the orderly development of commercial air transportation is to do great violence to the board.

I hope first the committee will vote down the Conte substitute, and then adopt the Staggers amendment, and get on with the business of writing a postal bill, and leave transportation to the committee with the appropriate jurisdiction.

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

Mr. MOSS. I am pleased to yield to the gentleman from Michigan.

Mr. DINGELL. One question which has not been answered today by the

Committee on Post Office and Civil Service is why the Federal Government should be treated in any manner different from any other shipper.

Mr. DULSKI. Mr. Chairman, in order to get some sentiment with respect to time, I ask unanimous consent that all debate on section 102 of the committee amendment and all amendments thereto end at 7:30 p.m.

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

Mr. DINGELL. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. DULSKI. Mr. Chairman, I ask unanimous consent that all debate on section 102 of the committee amendment and all amendments thereto end at 8 p.m.

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

PARLIAMENTARY INQUIRY

Mr. ADAMS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ADAMS. Under the usual rules of the House, only those Members standing at the time a request is agreed to or a motion is made are later recognized for debate. This request, I understand, covers the whole remaining portion of the bill. Would that rule be in effect at the time of the request?

The CHAIRMAN. Members who are observed standing are considered to be giving evidence they desire to be heard on the amendment, and are heard. This does not preclude a Member from offering an amendment.

PARLIAMENTARY INQUIRY

Mr. TIERNAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. TIERNAN. I should like to know whether or not the request by the chairman would cut off debate for all portions of the bill at 8 o'clock.

Mr. DULSKI. No.

The CHAIRMAN. The Chair understands the request relates only to section 102.

Mr. DULSKI. Which ends on page 293. Then we would consider section 103 of the bill.

Mr. TIERNAN. It would cover all other matters in the bill except pay, and debate would be concluded at 8 o'clock.

Mr. DULSKI. That is correct.

Mr. DINGELL. Mr. Chairman, reserving the right to object, may I ask how many amendments are pending at the desk? I believe fundamental fairness demands that Members be given consideration.

The CHAIRMAN. The Chair will state that there are 12 amendments at the desk.

Mr. GROSS. Mr. Chairman, reserving the right to object, I would suggest to the gentleman that he seek a limitation of debate on the amendments as they are offered. I believe that is a more orderly way to proceed. There would be a very unequal division of time, I suspect, if this request were agreed to.

Mr. DULSKI. Mr. Chairman, I withdraw my request.

Mr. THOMPSON of Georgia. Mr. Chairman, I move to strike the necessary number of words.

Mr. Chairman, as a former member of the Committee on Post Office and Civil Service and as a present member of the Committee on Interstate and Foreign Commerce I believe I can see both sides of this question.

The basic question is whether or not the Civil Aeronautics Board will be able to continue to regulate all economic factors revolving around air transportation. It is absolutely essential that the CAB do this if we are to have a sound, safe air transportation system. The Civil Aeronautics Board is charged with this duty and responsibility.

Mr. Chairman, I certainly recognize the desire of the Post Office Department to transport mail at the lowest possible rate, but you must bear in mind there are also other agencies and other departments that would like to have the same privilege. In fact, there are many in the private sector that would like to be able to bid individually and separately with each airline for the transportation of their goods or their personnel. We have a large air express operation privately operated. Now, who establishes the rates for air express? The rates for air express are established by the CAB. They do it in order to maintain a stable economic situation within the airlines. If we are going to erode in this one area the authority of the CAB to maintain economic stability, then I think you are going to find there will be pressures in other areas. Certainly, with the many governmental agencies and the number of personnel traveling, why would it not be logical for the Veterans' Administration, for example, to be able to go to each individual airline and contract on an individual basis for the carriage of their people as they travel throughout the United States? They could probably save some money in doing so.

But I think that the gentleman from Washington, a member of the Committee on Interstate and Foreign Commerce, made a very telling point when he pointed out that the carriers, when they enter their bids, if they are going to bid on a competitive basis for mail service, are going to bid on the best routes. They are going to take the cream off the top. In those other areas no one will want to bid. Your long hauls are the ones they will want. If your airlines had a free choice today, they would not serve many cities in this country but would fly from Washington to Kansas City or from New York to Los Angeles or the long hauls, for example. They would not want to serve the small cities because it is a losing proposition for them to provide this public service. However, in order for them to provide a public service, the Civil Aeronautics Board has established uniform rates which are not just on passengers but are uniform rates on cargo and uniform rates on the carriage of mail. If we are going to carry airmail letters into Bradford, Pa., for example, we will have to have the CAB establish a rate which is fair to all concerned, because few car-

riers want to bid just on that particular segment. They would rather bid on the long hauls between here and Chicago and Los Angeles.

So, Mr. Chairman, basically we are dealing with a matter of whether it is wise for the CAB to maintain the economic stability of the airlines by having complete jurisdiction over all revenue matters that the airlines need and by which they derive their revenues.

Mr. Chairman, there is, of course, a jurisdictional question involved here. I regret that the chairman of the Post Office and Civil Service Committee did not work with the chairman of the Interstate and Foreign Commerce Committee.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DULSKI. Mr. Chairman, I ask unanimous consent that all debate on the amendment offered by the gentleman from West Virginia (Mr. STAGGERS) and all amendments thereto end exactly at 6:10 p.m.

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

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. PICKLE).

Mr. PICKLE. Mr. Chairman, the rate-making authority of the CAB has never interfered with the ability of the Post Office Department to improve the efficiency of our postal service. The provision which provides for the special appeal within a limited period of time, that is, 90 days after the contract had been executed by the Postmaster General, merely creates another administrative burden for this regulatory agency.

We asked the question, in the hearings, of the representative of the Post Office Department if he felt that the CAB had been derelict or had failed to carry out the responsibilities either in the rate-making process or in the delivery of mail, and the Post Office representative said no, not particularly.

We asked the Chairman of the Civil Aeronautics Board if there was any controversy or whether the Post Office had raised forms of complaints about their handling of the mail, and the chairman said no, he had not been advised of any controversy except of normal matters.

So there is no real controversy. Even the Post Office representative said that if jurisdiction did lie in this particular committee, the Interstate and Foreign Commerce Committee, then they had assumed it should have been routed to our particular committee. It was not.

And what we really will do if this amendment is not passed, is that we will delay the process. We will say to the CAB that they have got to, within 90 days, either say nothing, or go through the long administrative process under title V. This will delay the service of mail rather than improve it. The people have come to expect quick, efficient air mail service, and this amendment offered by our chairman will help keep it that way.

The CHAIRMAN. The Chair recognizes the gentleman from Washington (Mr. ADAMS).

Mr. ADAMS. Mr. Chairman, I take this

time to put into the RECORD some facts so that there is no distortion as to what the airlines are getting, and what is going on in their relations with the Post Office Department.

In the first place, the cost of carrying mail has dropped from 42 cents per ton/mile in 1958 to 22 cents per ton/mile today. Out of the 10 cents that is paid for an airmail letter, do you know how much of this is allotted to the air transportation companies? Out of the 10 cents for a stamped letter, the transportation industry gets 0.6 cent. On a 6-cent stamp 5.85 cents goes to the Post Office, and 0.15 cent to the airline.

There are air freight rates, that are uniform throughout the entire United States, and in addition the Postmaster has a series of particular powers which allow him to go to any airline and if he does not like the way it is being carried he can go to the CAB and require them to carry it in a better fashion; he also can require any airline to take a letter to any point on some certified airline. He can go outside the certified airlines if he does not like the service and if there is an emergency he can go to a supplementary airline any time and contract with them. If he does not like what they do on service to a particular area he can hire an air taxi. At the present time there are 3,500 air taxis being used by the Postmaster General to supplement airline service.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Chairman, I, at the outset, want to state that when I offered my substitute to the amendment offered by the gentleman from West Virginia (Mr. STAGGERS), I did not realize that I was getting into a jurisdictional dispute. I certainly apologize if I have disappointed any members of that most important committee. I have nothing but the highest regard for them.

But I happen to sit on both the Treasury-Post Office Subcommittee and the Transportation Subcommittee of the Committee on Appropriations. I think I have dual jurisdiction here.

I have heard Postmasters General from Summerfield to Gronouski, Day, to O'Brien, and Blount before our subcommittee complaining that their hands were tied and that they could not move the mail the way they wanted to.

I would also like to point out how difficult it is to save the taxpayers any money in this body, whether it be the case of farm subsidies, rail subsidies, or what have you.

If you are for the mail users in the United States and for the taxpayers, then vote for my substitute.

The CHAIRMAN. The Chair recognizes the gentleman from Montana (Mr. OLSEN).

Mr. OLSEN. Mr. Chairman, I would like to have the attention of the chairman of the Committee on Interstate and Foreign Commerce.

In a case of carriers not having a route to a particular locality, would the Postmaster General, without this authority in the bill, be able to contract out for a service in that instance?

Mr. STAGGERS. Yes, he would.

Mr. OLSEN. So if franchised carriers would not or could not give him a schedule to move the mail out of his post office, he would be able to contract out in that instance?

Mr. STAGGERS. That is right. But the scheduled airlines must carry the mail if the Postmaster General wants them to do it—that is part of their certification.

Mr. OLSEN. And they cannot leave the mail at the airport?

Mr. STAGGERS. No, sir; they cannot.

Mr. OLSEN. I thank the gentleman and I look with favor on his amendment.

Mr. STAGGERS. I thank the gentleman very much for his kind support.

The CHAIRMAN. The Chair recognizes the gentleman from Arizona (Mr. UDALL).

Mr. UDALL. Mr. Chairman, these jurisdiction fights are always a little bit hair raising but I hope the Members will decide this issue not on whose jurisdiction is invaded or whose feelings are hurt, but on the merits.

This bill involves, if we are going to have real postal reform, spending hundreds of millions of dollars.

An important economic interest, as the gentleman from Massachusetts (Mr. CONTE) says is involved. In nearly every instance, all are for postal reform. That has been the history for a year and one-half in our committee—all are for postal reform but they have to have one little amendment. This is to make sure that in any postal reform they have their own position protected and they have an extra advantage. I suggest that we have just as much jurisdiction in this field as any other committee.

After all, this is \$600 million in transportation and this is all the Postmaster General's transportation jurisdiction.

This is only a small part of the jurisdiction of the Committee on Interstate and Foreign Commerce and it is only 1 percent I am told—1 percent of the airline revenues that are involved in this thing—but 100 percent of the Postmaster General's transportation problem that you are dealing with and the Conte amendment really ought to be approved.

If you cannot approve it, you ought to defeat the Staggers amendment and let the committee language stand.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Chairman, I echo the statement just made by the gentleman from Arizona and I would wish to reemphasize, at the risk of sounding innocent; remember, we are working on postal reform.

If we had parceled out this legislation to every committee that could have had any jurisdiction, we could never put the pieces together.

In order to have a total, comprehensive, effective, and manageable postal service, we hope to maintain the bill we have brought to the floor.

I do not see how anyone could argue with the Postmaster General for trying to get the type of service from the airlines that the mail user is entitled to.

Let us keep in mind that every house-

hold in the country is a customer of the postal service. Therefore, we are serving every citizen of the country through this bill, but we never can through fragmentation.

I suggest in the interest of legitimate postal reform and in the interest of commonsense legislation, that we maintain the committee bill at this point.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. DULSKI) to close the debate on the pending amendment.

Mr. DULSKI. Mr. Chairman, I think that anything that anybody could say on this subject has been said. I wish to reiterate what I said before. We are not trying to usurp the rights of anybody's committee. We are up here trying to present a good postal reform bill. As I stated before the Rules Committee, and I am stating again, this bill is in the best interests of the public, and I urge that both amendments be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. CONTE) as a substitute for the amendment offered by the gentleman from West Virginia (Mr. STAGGERS).

The substitute amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from West Virginia (Mr. STAGGERS).

The question was taken; and on a division (demanded by Mr. UDALL) there were—ayes 94, noes 60.

So the amendment was agreed to.

MOTION OFFERED BY MR. DULSKI

Mr. DULSKI. Mr. Chairman, I move that debate be limited to 10 minutes on each amendment to section 102 of the committee amendment.

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

The motion was agreed to.

AMENDMENT OFFERED BY MR. GRAY

Mr. GRAY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GRAY: Page 166, line 20, immediately before "The" insert "(a)".

Page 168 after line 8 insert the following: "(b) Notwithstanding paragraphs (5) and (6) of subsection (a) of this section, or any other provision of this title, or of the Postal Reorganization and Salary Adjustment Act of 1970 (including the amendments made by that Act) neither the United States Postal Service, the Postmaster General, nor any other officer, employee, or agent of such Service, or of the United States, shall expend any money from the Postal Service Fund established by section 1003 of this title to construct, alter, or acquire any building, facility, or other improvement, the construction, alteration or acquisition of which immediately prior to the date of enactment of the Postal Reorganization and Salary Adjustment Act of 1970 would have been subject to the Public Buildings Act of 1959, unless such construction, alteration or acquisition has been approved in accordance with such Public Buildings Act of 1959."

The CHAIRMAN. The gentleman from Illinois is recognized for 5 minutes in support of his amendment.

Mr. GRAY. Mr. Chairman, getting time to speak on this bill reminds me

of my childhood days when we had so many folks in the family that by the time we got the last one to bed, it was time to get the first one up. There has been so many committee members offering amendments to try and clean up this bill that no one else can speak.

All this amendment does is to say to the new postal corporation, you can go out and select a site for a post office building, or an alteration or modernization project. Work your will but submit to the Congress a prospectus which can be looked over by the Members of this House and tell us whether or not the project is needed.

In 1959, when President Eisenhower was in the White House, we passed the Public Buildings Act of 1959. This has worked well. There has not been one single request of one Member on either side of the aisle that has been denied the authorization of a public building in his district.

But if the committee bill is adopted in its present form, all congressional control will be taken away for post office buildings. Let me give the Members one quick example of an incident that happened last week. There was a \$194 million project requested in authorization from the Post Office Department to build two facilities in the city of New York. When Larry O'Brien was Postmaster General the Post Office Department acquired the property and moved the people out of this area; taxpayers spent \$3½ million for this site, which has been allowed to lie dormant almost 4 years. Now the Postmaster General says he does not want to build a new building there at all, but he wants to go to New Jersey for the mail-handling facility. The gentleman who represents that district brought this matter to our attention. We held up the prospectus because the Post Office Department did not want to give back to the residents of New York the land taken from them. By having control we were able to work out a compromise to help the people of New York and the Post Office Department. This all took place in less than 1 week. When we approve a project, we will call the Member so he can make the release.

We know how it is with Commissions like the FCC, ICC, and FTC. We find out about a decision several days after it is made. I want the Members on both sides of the aisle to have something to do with the postal facilities in their districts.

I rise here today for 435 reasons—for each Member of this body. Our committee retains jurisdiction over all other Federal buildings, including courthouses, combination Federal buildings that house post offices, and other Government buildings.

That is all my amendment does. It says this new corporation can do what it wants to, but on post office projects it submits to the House Committee on Public Works and the Senate Committee on Public Works a plan for approval. That is all it does. I ask my friends on both sides of the aisle to protect their own interests.

I have built all the post office buildings I need in southern Illinois. It is your interest that is at stake. I realize you want reform, but this is no way to get it.

Costs of construction will double if you lose control of these projects.

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

Mr. GRAY. I yield to the gentleman from Illinois.

Mr. COLLIER. Mr. Chairman, the gentleman makes a good point, but can he tell me how to keep a post office building from being built now?

Mr. GRAY. If this committee bill becomes law, no prospectus can be inspected and we will have no control. If my amendment is not adopted, the gentleman's point is well taken, and we would have no control.

Mr. COLLIER. There is no real difference, Mr. Chairman.

Mr. DERWINSKI. Mr. Chairman, I rise to oppose the amendment. I will be brief and I will lay it on the line. This is a pork barrel amendment. It is the most brazen amendment that has been offered to this bill. All this amendment would do is perpetuate the pork barrel mentality in the construction of post office buildings. I do not think this House at this time wants to go on record as perpetuating the pork barrel approach. If the Members want proper postal reform, they will not accept this amendment.

Mr. GRAY. Mr. Chairman, if the gentleman will yield, does the gentleman not feel that all my amendment does is to maintain the law as it is today?

Mr. DERWINSKI. That is exactly why I make the statement I did, because the reason the postal service is in such sad shape is that too many people have their hands on it, and what we want in the postal service is the administrative flexibility we envision, and if we are to be clear through the Public Works Committee, we will have it back in the pork barrel days again.

Mr. UDALL. Mr. Chairman, if the gentleman will yield, let me say nothing illustrates more the need for postal reform than this amendment. I love the gentleman from Illinois, and he has been very kind to me, but when the Democrats were in power and they built a post office in my town, they called and asked who I wanted the architect to be. This was fine and I made some political friends.

I used to have my hand in as to where the post office was going to be located and then made all kinds of recommendations as to who ought to be assistant postmaster and supervisor.

The idea of this whole business is to get the politicians out of the business and to set up essentially a commercial enterprise and to let them move the mail.

Under this bill they have a provision which will allow them to go out to sell bonds and to build the kinds of new post offices they need, such as in Chicago at O'Hare Field instead of downtown where the trucks cannot get. Who will buy the bonds if the politicians have to approve the buildings? Who will get into the kind of management we need if we have this kind of restriction?

I seriously hope that this amendment will be defeated, because it detracts from one of the most important aspects of postal reform, the need for postal facilities.

Let us permit the committee of the

gentleman from Illinois (Mr. GRAY), to go ahead with all Federal buildings, with all other kinds of buildings, but let us keep this separate as a quasi-commercial kind of operation designed to move the mail.

Let us change the existing order at least with regard to post office buildings.

Mr. DERWINSKI. Mr. Chairman, I merely wish to reemphasize that if the Members want the postal service to move the mail they will reject this amendment. If they want to keep the postal service stagnant they will accept the amendment.

The CHAIRMAN. All time for debate on this amendment has expired.

The question is on the amendment offered by the gentleman from Illinois. (Mr. GRAY).

The question was taken; and on a division (demanded by Mr. GRAY) there were—ayes 54, noes 80.

Mr. GRAY. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. GRAY and Mr. DULSKI.

The Committee again divided, and the tellers reported that there were—ayes 61, noes 89.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. SCOTT

Mr. SCOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SCOTT: On page 170, line 25, strike out the word "and".

On page 171, line 2, strike out the period and insert in lieu thereof "; and".

On page 171, following line 2, add a new paragraph (6) to read as follows:

"(6) all provisions of title 5 governing appointments in the competitive civil service."

On page 173, beginning with line 3, strike out all of line 3 and all that follows down through the period in line 9, and insert in lieu thereof the following:

"(a) The Postal Service may appoint and promote, in accordance with the provisions of title 5 governing appointments in the competitive civil service, such officers, attorneys, agents, and employees and vest them with such powers and duties as it deems necessary. All positions under the Postal Service (other than any position referred to in section 103, 105, 106, 108, or 110 of this title) shall be in and under the competitive civil service and shall not be removed or excepted from the competitive civil service."

On page 192, immediately after the period in line 9, insert the following: "No such agreement shall contain any provision which excepts or removes from the competitive civil service any position placed in the competitive civil service by section 201(a) of this title."

Mr. SCOTT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

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

There was no objection.

Mr. SCOTT. Mr. Chairman, this amendment makes applicable to the Postal Service all provisions of law governing appointments in the competitive civil service. It states that appoint-

ments and promotions in the Postal Service of officers, attorneys, agents, and employees shall be made in accordance with the title V of the United States Code governing appointments in the competitive civil service. It further states that all positions under the Postal Service shall be in and under the competitive civil service and shall not be removed or excepted from the competitive civil service. It provides that collective bargaining agreements cannot affect the rights or the benefits of employees that they have under the civil service laws.

Now, Mr. Chairman, we are creating a quasi-governmental agency. Sometimes we call it a Service and sometimes a Corporation. It is sort of a hybrid thing. However, it seems to me that over the past 50 or 60 years we have built up a civil service merit system which is used as a pattern for many States and localities. I believe we should preserve the civil service merit system. One-quarter of all Government employees work for the Post Office Department and they would lose the legal protection now afforded them in the event this measure is adopted.

In effect, this bill would remove from the protection of civil service laws one-fourth of all Government civilian workers. I feel that that is the wrong thing to do. And the purpose of my amendment is to assure that the civil service rights of Government employees will be protected.

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

Mr. HENDERSON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am appreciative of what the gentleman from Virginia seeks to do here, but I would point out that this amendment was considered by our Committee on Post Office and Civil Service. We recognized that we are creating a new postal service; that the civil service competitive system for appointments in the future, once the new service is established, is just not the best way to manage the people and manage the postal service.

Again I come back to the point that I made earlier in debate today, that we are establishing a new postal service, and in that we are setting up collective bargaining. Once collective bargaining is established within the Postal Service, then these issues would be settled between the parties in their negotiations.

The problems in personnel with the Department today to a great extent have evolved around the civil service rules and regulations as they pertain to the employees, and prevents merit promotions. Once collective bargaining is established then the management and the employees can best solve the problems of the employees.

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

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

Mr. SCOTT. Mr. Chairman, in order that the Committee will have full knowledge of this amendment and the provisions of this bill insofar as it relates to employees, would the gentleman agree

that under the new system the Postal Service can make appointments, determine working conditions, and hire and fire as they please, subject only to collective bargaining action, with free play between management and labor?

Mr. HENDERSON. The gentleman is right. I think the issue is a clear one. I know the gentleman would like to preserve the civil service system. And, of course, the gentleman understands that as a member of the Post Office and Civil Service Committee I have mixed emotions about this, but I think the House will agree in working its will, that the service needs to have free collective bargaining in the true sense of the word, and I think that has been made the major thrust of the legislation.

Mr. DERWINSKI. Mr. Chairman, if the gentleman will yield, I would point out that the gentleman from Virginia (Mr. SCOTT) represents a district adjacent to the Washington area, and has a great number of civil service employees, and the gentleman very ably represents them, and if he were to support the bill as it is now drawn it would be inconsistent with the interests of his constituents.

But in this collective bargaining we do set up proper provisions and I believe that the representatives of the union will certainly not negotiate away the basic benefits of the employees. As they transfer and certainly under no conditions will the employees of the Postal Service be any less secure in their positions than they are now.

Mr. HENDERSON. Mr. Chairman, further on that point, what we envision here is that the new management of the postal service, as I have indicated, would be willing to negotiate on these matters and perhaps even they can improve the conditions, rather than us writing it into the law, and otherwise tying their hands.

We know that the employees will want certain pay and fringe benefits, and these are, as I understand, very reasonable objectives, and we do not want to take away from the management the flexibility to bargain or to get certain concessions from the employee organizations.

I can say in all fairness that the major employee organizations would not like to see an amendment adopted that would hinder the negotiations in the collective bargaining process.

I urge the defeat of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia (Mr. SCOTT).

The amendment was rejected.

AMENDMENT OFFERED BY MR. GONZALEZ

Mr. GONZALEZ. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GONZALEZ: On page 287, immediately below line 2, insert the following:

"(f) Notwithstanding any provision of this title or of any other law, the rate of postage for each single postal card and for each portion of a double postal card, including the cost of manufacture, and for each post card and the initial portion of each double post card is 1 cent until otherwise provided by law. For the purposes of the preceding sentence—

"(1) a postal card is a card supplied by the Postal Service with a postage stamp printed or impressed on it for the transmission of messages, orders, notices, and other communication, either printed or written in pencil or ink; and

"(2) a post card is a privately printed mailing card for the transmission of a message, and not larger than the size fixed by the Convention of the Universal Postal Union in effect, and of approximately the same form, quality, and weight as a postal card."

Mr. GONZALEZ (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

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

There was no objection.

Mr. GONZALEZ. Mr. Chairman, this amendment merely provides for the restoration of what is commonly known as the "penny postcard," the 1-cent postal card.

The bill that has been called a reform bill here—and after hearing all of the discussions and all of the descriptions of this bill, I came to the conclusion that it is touted to everything from resolving the problem of slow mail to resolving all of the personnel conflicts that have plagued the Post Office and to strong hints of even curing carbuncles and may-be even fallen arches.

But this in all seriousness really underlines and brings to our attention the distressing fact that the postal service little by little has been permitted to get away from the common man—the plain common man.

Let me give you a little history about this penny postal card.

This is not to say that their use will take away from the sale of any other stamps.

The penny postal card was established in 1872 by an act of Congress. The Postmaster General, Crestwell, was very pleased because they would help meet the public demand. Appropriations were made the next year and the cards issued on May 1, 1873. The penny postal card had the stamp imprinted and the price paid for it covered its cost of manufacture. The 1873 annual report of the Post Office Department clearly showed their popularity. The first 2 months the number of cards bought was over 31 million, and the entire year's estimate of 100 million was more than realized.

The 1-cent postal card lived on until 1952, except for the World War I years when the rates went up to 2 cents. The year of 1951 marked its peak year for sales, during which over 4 billion postcards were purchased. It was the following year that the rate was increased to 2 cents; in 1959 it was increased to 3 cents, in 1963 to 4 cents, and in 1968 to 5 cents. As the rates increased, naturally the consumer was driven away from purchasing them as freely. During 1968 only a little over 1 billion cards were purchased and in 1969 the number dropped considerably to approximately 800 million.

The initial reason for issuing the postal cards was to supply a public want and this is the reason why I want to reinstate the penny postcard. In com-

paring the total number of postage stamps issued in 1968—almost 35 billion—to the number issued in 1969—approximately 27 billion—you will note a marked decline in purchases. Admittedly, the higher rates would seem to have kept some consumers from communicating through the mails. In view of the rising rates in postage, I am sure that the public want for a 1-cent postal card is and will continue to increase. This is not to say that their use will take away from the sale of other stamps, of course, because their utilization is limited, but at least their use will be more accessible to the common man who needs and wants to communicate and who wishes to just drop a line to a friend, his government officials, or some businesses, to a son in the service, and so forth.

In an age in which communication is emphasized, let us encourage it; in an age in which special interests seem to get all the breaks, let us give the average man a break; in an age in which opportunity is a key word, let us give the people an opportunity—and option—to use this form of communication. In order to assure the last vestige of service that will come as close as is possible to granting the American people the franking privilege and the type of service that should symbolize the postal service, I urge you to restore the penny postcard. Public demand clamors for at least a small break for the average man.

Mr. UDALL. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Arizona is recognized.

Mr. UDALL. The gentleman's amendment fills me with nostalgia. No one would like more to bring back the penny postcard than I. In fact, I am in favor of the \$20 suit, the \$5 shoes, and the nickel beer. I wish we could bring all of them back.

But the net impact of this amendment would be drastic and disastrous in two or three respects. The present rate is 5 cents for a penny postcard. It costs the Government almost a nickel to handle and deliver it. Five cents just about covers its cost. By cutting the price of the card to 1 penny, \$80 million in revenue would be wiped out, and we would have a postcard which could be used by anyone.

Let me tell you the first thing that would happen. You do not like junk mail? Now the junk mailer has to pay 5 cents to mail an advertising circular, and we barely break even on that. If the amendment were agreed to all they would have to do would be to put their sales message on a penny postcard. So if you are worried about subsidizing advertising circulars sent in third class, I say there would be no more third-class mail. Why should they pay the third-class rate when they could send first-class a penny postcard?

We are talking about losing \$80 million in revenue. We would be opening a door so that all third-class mail and other classes of mail could simply shift to postcards, and you will have a deficit in the Post Office that will curl your hair.

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

Mr. UDALL. I yield to the gentleman from Texas.

Mr. GONZALEZ. The gentleman talks about the calamity that would take place if we were to restore the penny postcard. In effect, we would afford an opportunity to the plain citizen to move his mail freely, to communicate with a serviceman or some religious organization.

Is it not true that you now have available presses that could turn these cards out at the rate of 250,000 an hour? Is that correct?

Mr. UDALL. I think that is correct, but that is not the problem. It is the cost of delivery.

Mr. GONZALEZ. One other question. You talk about the cost of delivery. What about the really large item of \$630 million that you are paying now each year just for transportation?

Mr. UDALL. Part of that goes to most postcards, and if the postcard were a penny—and I do not oppose an \$80 million subsidy for soldiers, widows, and sons to write their mothers and all that sort of thing—but what I am afraid of is that if we legitimize the penny postcard, everyone who wants to send a message, even the local utility company which sends out a bill, will use the penny postcard.

Mr. GONZALEZ. What is wrong with that?

Mr. UDALL. Because the subsidy will not then be \$80 million. It will be \$580 million or something else. Everyone would move to penny postcards.

Mr. GONZALEZ. The gentleman has touted this bill as bringing efficiency to the system and reducing rates.

Mr. UDALL. I believe it will.

Mr. GONZALEZ. Then we can use that efficiency and the new technological know-how that will come with the bill, if enacted, in order to provide that kind of service.

Mr. UDALL. You cannot cut 80 percent out of the cost of an item in this bill and expect to come out in the cost.

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

Mr. UDALL. I yield to the gentleman from Louisiana.

Mr. WAGGONNER. I hate to take issue with my colleague from Texas, but I think we are underestimating what the subsidy required would be if we reinstituted the 1-cent postcard. The shift from first-class mail and airmail back to postcards would make the present estimated loss for the present volume of postcards—which you estimate to be \$80 million—look like chicken feed. It might result in \$300, \$400 or \$500 million just in subsidies in the instance of postcards.

I, like the gentleman from Arizona, am not opposed to subsidies. I believe that there ought to be, to some extent, a subsidy for the users of the mails. But I think we are exaggerating it here.

The CHAIRMAN. The time of the gentleman from Arizona has expired.

The question is on the amendment offered by the gentleman from Texas (Mr. GONZALEZ).

The amendment was rejected.

AMENDMENT OFFERED BY MR. SCOTT

Mr. SCOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SCOTT: On page 186, following line 25, add a new subsection (e) to section 209 to read as follows:

"(e) The Postal Service shall appoint rural carriers in the postal career service by one of the two following methods which shall be applied in the following order of precedence:

"(1) by selection (A) of a qualified career employee from within the postal career service, or (B) if no qualified career employee is available for, and willing to accept such an appointment, of a qualified substitute rural carrier who has at least three years of satisfactory service as a substitute rural carrier at the post office where a vacancy occurs, who shall acquire postal career service status upon being appointed as a rural carrier; or

"(2) if no qualified employee serving in the Postal Service is available for, and willing to accept, appointment by the method described in paragraph (1), by procedures in accordance with section 201 of this title."

Mr. SCOTT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

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

There was no objection.

Mr. SCOTT. Mr. Chairman, this has to do with the appointment of rural carriers. In the event there is no career postal worker available to fill a vacancy in a rural carrier's job, it permits consideration of a substitute rural carrier who has had at least 3 years of service.

In my own neighborhood there was a carrier who had been a substitute for 17 years in which a vacancy occurred. He was not eligible to be considered when the regular rural carrier became sick and was unable to continue in his position. I have talked with other Members of this body, and they have cited instances in which there have been substitute rural carriers for as long as 25 years. Even after this long period of service these substitutes are not eligible to be considered in the event of a vacancy in the regular rural carrier job for which they have been a substitute.

This amendment provides that after 3 years of qualified service as a substitute rural carrier and, in the event there was no qualified permanent employee to be considered, the substitute would be considered without having to take an examination for the job.

I think frankly, Mr. Chairman, it does justice to the substitute rural carriers.

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

Mr. SCOTT. I yield to the gentleman from Pennsylvania.

Mr. CORBETT. Mr. Chairman, I commend the gentleman for introducing this amendment. I wish this had been the law long ago. There has been a great deal of injustice to individuals, so I am very much in support of the amendment.

Mr. SCOTT. Mr. Chairman, I thank the gentleman from Pennsylvania.

Mr. Chairman, might I say that in the committee when we were marking up H.R. 4, which is not before this body, but was a previous similar bill, the committee agreed to an identical amendment. It is not a part of the present bill, however, and I do ask for favorable consideration.

Mr. UDALL. Mr. Chairman, I rise in opposition to the amendment. I am not sure the amendment does any particular harm. The gentleman from Virginia is correct in stating it was adopted in connection with a previous bill, H.R. 4. However, in connection with the pending bill the committee rejected it by an overwhelming vote, as I recall. It seems to me that once we set up this new system of collective bargaining, the kinds of problems the gentleman raises here will not be involved to any great degree. I think in the light of this the amendment ought to be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia (Mr. SCOTT).

The amendment was rejected.

AMENDMENT OFFERED BY MR. ECKHARDT

Mr. ECKHARDT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ECKHARDT: On page 187, line 17, strike the word "provisions" and add the words "other sections."

Mr. ECKHARDT. Mr. Chairman, this amendment is simply to prevent a conflict between subsection (a) and subsection (b) of section 222 of subchapter II of the proposed act and to prevent the one from delimiting the other.

Mr. WILLIAM D. FORD. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Michigan (Mr. FORD).

Mr. WILLIAM D. FORD. Mr. Chairman, I support the amendment offered by the gentleman from Texas.

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

Mr. ECKHARDT. I yield to the gentleman from North Carolina.

Mr. HENDERSON. Is it true that the effect of the gentleman's amendment would be to negate the action of the House yesterday in adopting the amendment I offered, that would give the employees the right to join or not to join an organization?

Mr. ECKHARDT. The gentleman expressed that as the purpose of that amendment. I also stated yesterday that I felt that section (b) did nothing but restate section 7 of the Labor Act. Section 7 of the Labor Act is in almost the same language that the gentleman's amendment is in. In section 8(a)(3) of the Labor Act which is incorporated here, there are certain amelioratory provisions. I do not know what the gentleman was doing with his amendment, but I think if this amendment is adopted, it will be quite clear what the act does. It gives everybody in the postal service the same kind of rights that everybody in industry generally has.

Mr. HENDERSON. Mr. Chairman, will the gentleman yield further?

Mr. ECKHARDT. I yield to the gentleman from North Carolina.

Mr. HENDERSON. Mr. Chairman, would the gentleman agree if the amendment were accepted that a union shop could be negotiated or brought into under the compulsory arbitration provisions of the bill?

Mr. ECKHARDT. I think that might be so, but I think that might be so under the present structure of the bill.

Mr. HENDERSON. I thank the gentleman for yielding.

Mr. Chairman, I rise in opposition to the amendment.

I would point out to the Members of the House that the effect of the adoption of this amendment would be to absolutely reverse the action the House took overwhelmingly yesterday to write into the bill a new section as to the right of the Federal employees in the postal service to join or not to join an organization, to have the right not to have to pay dues to hold a job in the new postal service.

It is my opinion and the opinion of counsel that the adoption of this amendment would have the opposite effect as to that of my amendment of yesterday. It would provide that the labor-management relations laws as originally brought out in the committee bill would be in effect, and the amendment adopted yesterday would be to no effect.

I know the House does not want to reverse the action of yesterday, and I urge defeat of the amendment.

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

Mr. HENDERSON. I yield to the gentleman from Illinois.

Mr. DERWINSKI. May I remind the Members that until we passed the Henderson amendment yesterday the issue of right to work was so intense that it obscured our consideration of postal reform. Certainly we do not want to again reimpose this overriding issue. We have done a fine job this afternoon under difficult circumstances in moving along postal reform. I suggest, in the interest of expediting the procedure, that we reject the amendment.

Mr. HENDERSON. I believe the gentleman will agree with me, and I believe the gentleman from Iowa, to whom I will yield, will agree with me, that the adoption of this amendment would have the effect of killing postal reform.

Members will have an opportunity in a few minutes to vote to do that if they want to. This is not the way to do it.

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

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

Mr. GROSS. I thank the gentleman for yielding.

I do agree that everything the gentleman from North Carolina has said is completely accurate. This amendment would, for all practical purposes, gut the amendment which the gentleman from North Carolina was successful in having approved yesterday.

Mr. HENDERSON. I thank the gentleman.

Mr. WILLIAM D. FORD. Mr. Chairman, will the gentleman yield?

Mr. HENDERSON. I am glad to yield to the gentleman from Michigan.

Mr. WILLIAM D. FORD. I find myself in a position of not disagreeing with what the gentleman is saying in terms of the effect it would have if the language already adopted by the House did what he says it did. It clearly does not. The amendment did not go to the language of the National Labor Relations Act that would have to be amended to change section 7 of that act. The amend-

ment adopted by the House is not inconsistent with that act.

At least the amendment of the gentleman from Texas (Mr. ECKHARDT) would make it clear one way or the other. The Eckhardt amendment makes legislative sense, because one can read that amendment and tell what part of the law is being amended.

The language we have adopted does not specifically amend any part of the National Labor Relations Act.

Mr. HENDERSON. I understand the gentleman.

Mr. WILLIAM D. FORD. I want the legislative history of this bill to show that many of us believe it does not constitute a so-called right to work provision at this time.

Mr. HENDERSON. I understand the gentleman takes that position, but I believe by the action of the House yesterday the intent was clear. The language which was adopted yesterday was clear. Of course, there is always doubt to be resolved by court action. I do not believe, from the advice I have, there is any doubt as to the result of the action on the language taken up by the House yesterday.

I desire to advise Members that if they adopt this amendment they will be reversing the clear intent of the House yesterday.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. ECKHARDT).

The amendment was rejected.

AMENDMENT OFFERED BY MR. CRANE

Mr. CRANE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CRANE: On page 283, strike out line 1 and all that follows down through the period in line 9 on page 284.

Mr. CRANE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

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

There was no objection.

Mr. CRANE. Mr. Chairman, this amendment is probably the simplest, most readily understandable one that will be offered in the course of debate on the postal reform bill.

It repeals the present ban on the private carriage of first-class mail. It also removes the accompanying criminal penalty for the private carriage of first-class mail.

On Thursday, March 26, 1970, I took the well of the House to speak on the subject "why not competition for the Post Office?" In that speech I outlined what I considered to be the desirable effects of my bill, H.R. 16691. Today, I am introducing that bill as an amendment to the postal reform bill.

Since making that speech, I have given a great deal of further thought to this entire question. I have corresponded with the Citizens Committee for Postal Reform; I have examined the report of the Kappel Commission; and I have closely studied the pending legislation.

Let me take a moment to discuss each

of these three areas: On April 27, I wrote Messrs. Morton and O'Brien, the co-chairmen of the Citizens Committee for Postal Reform concerning their position on postal reform. Unfortunately, they were both out of the city; but the executive director of the committee, Mr. Claude J. Desautels, did respond promptly to my letter.

Permit me to quote a question that I asked Messrs. Morton and O'Brien:

Perhaps you can enlighten me: How exactly would this (their recommendations for postal reform) have prevented a strike?

The committee's response to this question was, in essence, that because "postal employees have been getting the short end of the stick for many, many years," a reform bill will improve their lot and make them less likely to strike in the future. As I pointed out in my letter, I do believe very firmly that postal reform is essential. But the postal reform must be meaningful. The current proposals would do little to improve the inefficiency of our postal service. It is no reform merely to transfer the postal bureaucracy from the Cabinet to an independent agency; it is no reform to raise postal rates while not improving services. And it is certainly no reform to permit postal employees to be required to join a union, or to allow them to strike against the public good.

One of the most needed reforms is to permit private competition with the Post Office, so that the innovative talents of the free enterprise system can be brought to bear on the problem of providing fast, efficient, and dependable postal service at the lowest possible cost. That is the purpose of this amendment.

I assume that some of my colleagues will raise the possibility that private carriers might indulge in "cream skimming" in the high-volume, high-value segments of the post office market. I do not believe that there is any validity to this concern for the following two reasons:

First. Some mail is simply not profitable. Let me specifically mention the case of "book rate" from Puerto Rico to Alaska—a service on which the Post Office loses money. Mr. Chairman, if the Congress determines that the shipment of books is a public service that should be subsidized by the taxpayer, let us have the courage of our convictions and vote to subsidize that category of our mail, whoever the carrier.

Second. It should be pointed out that under present arrangements, when a "common carrier," such as one of the private companies which deliver parcels, is authorized to serve a certain territory, they can be required to serve all points within that territory, not just those which are the most lucrative.

Another major point I wanted to make is that I have studied the report of the Kappel Commission, which is the basis for the entire postal reform movement and which suggested "the new approach" which we so desperately need for our postal service. The section of the Kappel report which deals with "the postal monopoly" is certainly one of the most superficial examinations of this question I have seen. In two hasty pages, the Commission concluded:

The postal monopoly provided by the Private Express Statutes should be preserved, although not necessarily in its present form. (Page 129, "Towards Postal Excellence," the Report of the President's Commission on Postal Organization, 1968.)

No case is made for that conclusion; indeed, the evidence against it is scarcely examined.

Mr. Chairman, I have also studied carefully the successive postal reform measures which have been introduced over the course of the 91st Congress. This includes H.R. 4, the original bill; H.R. 17070, the committee-passed bill; and H.R. 17966, the Udall-Derwinski substitute. All three of these measures have included in them a proposal for a 2-year study of the private carriage of first-class mail—a section that calls for "further study and evaluation in the light of changes in modern communications. The postal service is directed to submit to the President and the Congress a report within 2 years of the enactment of this act for the modernization of these provisions of the law."

Thus, it is clear all of these bills recognize that this area is one where change will be needed. Yet all three bills would have us delay the enactment of that change for at least a period of 2 years.

The Post Office Department has shown itself to be close-minded and unresponsive by its refusal to consider support for this approach to postal reform. Let me point out that the Post Office has not said there is anything wrong with my proposal. It has not said anything at all, despite the fact that the distinguished chairman of the Post Office Committee (Mr. DULSKI) has asked for its views of my bill. This is a request which I have repeated on several occasions myself. Apparently it is against departmental policy to consider any new approaches to postal service, even where no concrete objections can be made to a proposed innovation. I do not see how genuine reform can possibly result from an attitude that forbids consideration of new ideas.

This amendment does not address itself to the union shop argument. To those who share my view that the Nation cannot tolerate another postal strike, I would point out that the mere existence of alternative services will act as a deterrent to those who would violate the law—either existing or proposed—and withhold their services from the Government Post Office.

The postal strike showed us a number of things: For example, it showed us that the private sector, with little notice, could rise to the challenge of providing a new service. During that period, literally overnight, many different methods of delivering written communications developed. Some of them, admittedly, were of a makeshift nature that the participants would not desire to use again, but others indicated that the private sector will respond when given the opportunity.

I know that some of my colleagues will say that we cannot measure the impact of my amendment on the bill at this time. "Give us a chance to study it for the next 2 years, and then, perhaps, a change will be implemented," they say.

To this line of argument I must respond that no one can accurately foretell what

the real impact of any part of this bill will be. Certainly we do not know what will result when the rest of this bill is enacted into law, if in fact it is.

I would further respond to any who raise this question that a sensible approach might be to try my amendment for a certain trial period—say 2 years—and determine if it is indeed conducive to better service to the public, or not.

I welcome the support of my colleagues for this amendment, and insert in the RECORD a number of items:

[From the Christian Science Monitor, Apr. 24, 1970]

POSTAL REFORM

TO THE CHRISTIAN SCIENCE MONITOR:

In the wake of the first strike in the 200-year history of the post office, you undoubtedly have been examining its causes and its significance. We, too, have been doing some evaluating. We have concluded that the self-supporting postal corporation-type of organization recommended by the Kappel commission would have prevented the strike, which was the consequence of an antiquated, inflexible postal system.

Especially in metropolitan areas where the cost of living is high, postal workers are frustrated by inadequate wages, by non-existent and obsolete equipment in high density mail centers, and by the futility of trying to earn promotions. A postal career is a dead end. There is no way for postal workers to negotiate their problems with management. Their leaders must resort to lobbying scores of congressmen and senators.

These are some of the frustrations that led to the illegal strike.

Complete postal reorganization along the lines of the Kappel commission would not only prevent strikes, but would in fact save the mail service from catastrophe.

LAWRENCE F. O'BRIEN,
THRUSTON B. MORTON,

Citizens Committee for Postal Reform,
Inc.

WASHINGTON.

APRIL 27, 1970.

HON. THRUSTON B. MORTON,
HON. LAWRENCE F. O'BRIEN,
Citizens Committee for Postal Reform, Inc.,
Washington, D.C.

DEAR MESSRS. MORTON AND O'BRIEN: I have read with interest your letter to the Editor of the *Christian Science Monitor* (April 24, 1970), in which you state that a reorganized postal corporation, along the lines recommended by the Kappel Commission, would have prevented the recent postal strike.

Perhaps you can enlighten me: How, exactly, would this have prevented a strike?

It is unfortunate that the reform advocated in H.R. 4 and now in H.R. 17070 does not effectively "solve" the problem of strikes by postal employees, any more than existing legislation effectively prohibits government employees from taking part in illegal strikes.

Nevertheless, it is quite true that postal reform is essential. I believe it would be far more effective to repeal certain sections of Titles 18 and 36 of the U.S. Code, removing the prohibitions on the private carriage of first class mail. If this were done, it would permit postal employees to seek alternative, and possibly more lucrative, sources of employment where they could utilize their skills and training outside of the monopoly, whether a government or quasi-government organization. In addition, the repeal of the specified sections of the U.S. Code would offer the individual American citizen the opportunity to select the form of mail delivery service best suited to his needs and his budget, rather than being forced to use the services of the existing or reorganized postal monopoly.

I would appreciate your comments on my bill (H.R. 16691), a copy of which is enclosed for your ready reference.

Cordially,

PHILIP M. CRANE,
Member of Congress.

CITIZENS COMMITTEE FOR
POSTAL REFORM, INC.,
Washington, D.C., April 29, 1970.

HON. PHILIP M. CRANE,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN: In the absence from the city of our National Co-Chairmen, I am taking the liberty of acknowledging receipt of your letter of recent date relative to H.R. 17070, the Postal Reorganization and Salary Adjustment Act of 1970.

As our National Co-Chairmen have stated: "The frustrations that have been bugging the postal workers are due to the system under which the Post Office is run."

And the solutions to the problems are found in the labor-management provisions of the O'Brien-Kappel-Johnson-Nixon-Blount Postal Reform proposals.

Let's face it, postal employees have been getting the short end of the stick for many, many years.

Their wages are below the levels where, in all conscience, they should be.

They cannot bargain collectively with the management of today's Post Office, while the right of collective bargaining has long been enjoyed by nearly all America's workers.

The conditions under which postal employees work, in many instances, are deplorably antiquated, and much of the equipment they work with is archaic, wasteful and inefficient.

The labor-management proposals of the Kappel Report are carefully designed to give postal workers the rights they want and deserve.

Among these rights as spelled out by these very important provisions:

1. Postal workers are guaranteed the right to bargain collectively with the postal management on wages and conditions.

2. In the event of a deadlock between the postal workers and the postal management, the workers are given the right to demand binding arbitration by a third party.

3. New opportunity for training and rights of advancement for qualified postal workers. Example—letter carriers or clerks could become postmasters on merit.

This kind of postal reform, as envisioned in the O'Brien-Kappel-Johnson-Nixon-Blount Postal Reform proposals is long over due. It would remove forever the possibility of a bitter stalemate which has led some postal workers to desperate and illegal measures.

We appreciate you sending us your bill H.R. 16691. Although we are not familiar with its provisions, you may rest assured that it will receive our careful consideration.

With kind regards,

Sincerely yours,

CLAUDE J. DESAUTELS.

[From Newsweek, Oct. 9, 1967]

THE POST OFFICE

(By Milton Friedman)

Complaints on postal service sent to the Postmaster General are directed to the wrong address—that is like berating a dog for barking instead of purring. The Post Office is both a monopoly and a government bureau—so it should occasion no surprise that it is costly, inefficient and backward.

Even Postmaster General O'Brien has recognized this fact. He has proposed that the Post Office be converted into a nonprofit government corporation. But that would change only the form not the substance. As a monopoly, it would still be costly; as a government organization, it would still be inefficient and backward.

There is a simpler, more modest, yet more effective solution. Let Congress simply repeal provisions of the present law which prohibit private persons from competing with the U.S. Post Office (presently, private persons may provide mail service, but only if the letters also carry U.S. stamps).

WHY MONOPOLY?

The tyranny of the status quo leads most of us to take it for granted that the postal service must be a government monopoly. The facts are very different. There have been many private ventures—including the storied Pony Express, which failed when the telegraph line (also private) reached California and provided an even faster service. Many others succeeded—which was precisely what led postal officials to foster, over many decades, a succession of Congressional enactments to outlaw private mail delivery.

It will be objected that private firms would skim the cream by concentrating on first-class mail and especially local urban delivery—on which the Post Office makes a substantial profit—while leaving to the Post Office the mail on which it loses money.

But this is an argument for, not against, competition. Users of first-class mail are now being overcharged (taxed is the word we use in other contexts) to subsidize the distribution of newspapers, periodicals and junk mail. Similarly, local delivery subsidizes mail for remote areas.

If we want to subsidize the distribution of such material, we should do so openly and directly—by giving the originators of such mail a subsidy and letting them buy the services of distributing it as best they can. And we should finance the subsidy in accordance with the general canons of taxation, not by a special levy on the users of first-class mail.

Nonetheless, the argument is politically powerful. It explains why many a newspaper and periodical—even some staunch defenders of free markets in other connections—will defend the Post Office's monopoly. They will defend it because they favor subsidizing dissemination of information and educational matter—but doubt that they can persuade the public to do so directly and openly. They will be overimpressed by the importance of the subsidy to their pockets—because they will not allow fully for the improvements that competition would bring. It would be expensive for them to pay the full cost of the present inefficient delivery service—but the cost will be cut sharply by the more efficient service that would spring up.

In any event, I see no reason myself why readers of newspapers and periodicals, and distributors of junk mail, should not bear the full cost of distribution, whatever it may turn out to be—and I, for one, hope that it does not turn out to be so low as to encourage still more junk mail.

WHY NOT COMPETITION?

One obstacle to introducing competition is a lack of imagination. Our minds are not fertile enough to envisage the miracles that unfettered enterprise can accomplish, in mail service as in other areas—rapid delivery within a city by pneumatic tubes and between cities by facsimile wire, much more extensive use of traveling post offices instead of monuments to the political pull of the Postmaster General and the local congressman, and so on *ad infinitum*.

A more important obstacle to introducing competition is the nature of the political process. Competition would benefit the general public. But the general public has no effective lobby. It would benefit men and women who would find new business and employment opportunities. But few of them have any idea that they would be benefited, so they have no effective lobby. Competition might harm postal employees and big users of subsidized mail. As concentrated special-interest groups, they are well organized and

do have an effective lobby. Their special interest, not the general interest, is therefore likely to shape the course of postal legislation. An oft-told tale.

[From the Indianapolis News, Apr. 2, 1970]

WHY NOT A PRIVATE POST OFFICE?

(By John Chamberlain)

My friend Leonard Read, who runs the Foundation for Economic Education at Irvington-on-Hudson, New York, was telling us 20 years ago that the U.S. Postoffice should be liquidated and the job of carrying the mail turned over to private enterprisers. Many of us laughed at him, but we are laughing no longer.

If his advice had been taken, we would have been spared the postal crisis. Undoubtedly there would have been many entries into the postal service field, a few doing fast special delivery jobs, others catering to the delivery of publications, a handful of A.T. and T.'s of the business sticking primarily to first-class mail, and a residue—the scrap-iron dealers of the trade—handling stuff that has no particular urgency.

There would have been competition, of course, for labor among the private carriers. Quite possibly there would have been several unions. Before the rage for co-ordinating bargaining hit us, one or two of the unions would have negotiated good wage agreements with individual employers.

The wage level throughout the whole industry would have tended to rise; instead of a paltry \$6,176-a-year beginning salary for a letter carrier, which is the figure that Congress in its infinite wisdom had never bothered to change as inflation galloped ahead, competition would surely have set the minimum at \$8,500 or thereabouts way back in President Eisenhower's or Jack Kennedy's day. And surely veterans of the postal services would have been earning up to \$12,000 or \$15,000 a year under private auspices.

All this can be said with perfect assurance because it is what happened in a hundred other service industries that require no more and no less intelligence, endurance and ingenuity that is demanded of postal workers.

The reason the letter carriers never got their just due is that Congress is, to put it quite frankly, utterly incompetent to act as an employer, especially when it is trying to run something at one remove. A public postal corporation would be better, for it would not have a thousand things ranging from the Gulf of Tonkin Resolution to the investigation of subversive activities on its mind. But if the public corporation is to be a protected monopoly, which is what President Nixon wants, it will still have a hard time judging what a mailman is worth in the market.

If Leonard Read's counsel had been followed 20 years ago, who knows what technological marvels might have been developed in the area of postal service? The electronic age was only in its infancy in 1950.

Instead of mailing checks to suppliers and employees, companies might use a chosen communications company to signal the transfer of funds to individual accounts in a selected list of banks.

Maybe an ingenious enterpriser would have figured out a way of putting correspondence on tape, for instant transmission to receiver stations miles away. Our son, in distant Vietnam, keeps us informed of his experiences by speaking into a tape recorder and mailing us the results to be listened to in our living room. Is it impossible to visualize a time when the spoken word might go out over 8,000 miles, via a bounce-off satellite, to be taped instantaneously in a local "postoffice" in one's own home town?

I do not know whether I am dreaming or not, but I am sure that if such things could

be made a reality it won't be done by a government monopoly.

Politically, a competing number of private mail corporations would be good insurance against revolution. When the letter carriers went on strike, they flouted the law which says that Federal employees must seek other means of publicizing their grievances. The law, when the postal crunch came, was meaningless.

Well, if uniformed employees in one branch of government can strike with impunity, then other men in uniform, the police, the army—might draw their own conclusions. When the Czar's army struck, Lenin walked in. My conclusion is that the fewer men in uniform the less the danger of a revolutionary force against the state.

[From Newsday, Mar. 24, 1970]

PRIVATE MAIL CORPORATION COULD SOLVE POSTAL WOES

(By Jeffrey St. John)

"There is no kind of dishonesty," observed the founder of the U.S. postal system, Ben Franklin, "into which otherwise good people more easily and frequently fall than that of defrauding the government."

The politicians who have been running the U.S. Post Office as if it were a personal pay-off system have been defrauding the government and taxpayers these many decades. Now, the first postal workers strike in the service's history is generating official dishonest claims that the strike is solely over "poor pay for postal workers." The growing deterioration of mail service in recent years could cause some to conclude that postal employees are overpaid.

The fires of government-created inflation are at the heart of the strike; it's not difficult to understand how postal workers barely make ends meet. But behind the rhetoric are the troublemaking militants within Manhattan and Bronx Branch 36 of the National Association of Letter Carriers. In recent years both boroughs have shown a marked increase in agitation by black militants who were given jobs as political payoffs.

THEY LIT THE FUSE

Some of these finally managed to use real low wages to light the fuse that set off the wildcat walkout. Branch 36 militants managed to intimidate the union leadership, which had requested the postal workers to go back to work. The militants have been working for a long time to pull off this strike, which they reason could spread to the entire city and then to the nation, striking a crippling blow at "The System."

Politics in the postal system is nothing new; Andrew Jackson introduced the spoils system in 1829, and successive presidents have made it a dumping ground for incompetents and individuals in search of a soft touch or a featherbed. It takes \$7.5 billion a year to keep the politically powerful government agency from breaking down entirely. The Nixon administration's recent attempts to create a public postal corporation to run the system like a business has met with unprecedented lobbying pressure from the postal union. Nixon's attempts for reform are going to fail unless he abandons his current efforts for a simple solution. What is required is competition from a private postal system to serve individuals and industry willing to pay.

THE PONY EXPRESS

"Were the postal system being started today," says the Keppel Commission that spent 15 months probing post office pitfalls, "it might well be operated by a privately owned, regulated corporation, not unlike the companies which operate communications and transportation systems in this country." The last time the U.S. postal system allowed competition was the Pony Express and it did such a superb job that the government introduced

competitive transcontinental service, lost money and passed a law, still standing today, that forbids anyone else but the government from moving first class mail.

The strike and chaos in the postal system should move Congress to repeal this prohibition and allow private postal systems to operate. The Independent Postal Systems of America, based in Oklahoma City, is a current model that could be expanded. It is handling much of the so-called "junk mail" from business that the government says is contributing to a deficit operation.

Economist Milton Friedman has pointed out in arguing for a competitive private postal system: "Competition would quickly set modern technology to work in the transmission of the mail, and simultaneously lower the cost to the consumer. The government system would have to shape us or ship out."

Those who find the profit motive in private enterprise distasteful must now choose between profit or postal politics that will continue to create chaos and paralysis.

AN ALTERNATIVE TO THE GOVERNMENTAL POSTAL SYSTEM

(By Yale Brozen, professor of business economics, Graduate School of Business, University of Chicago)

It is, of course, un-American to think of any alternative to a governmentally operated postal system. After all, Ben Franklin, a great patriot, was a founder and supporter of this governmental enterprise. Anyway, what sensible American would want to go into a business which loses as much money as the Post Office.

Believe it or not, a good many Americans seem to think that the postal business is worth entering. The Post Office investigates thirty to forty cases a year where it suspects that its monopoly is being infringed. It prosecutes fifteen to twenty cases a year.

First class mail is profitable for the U.S. Post Office and it is in this class of mail in which it has a legal monopoly. It has never bothered obtaining a legal monopoly of other classes of mail since it believed that it lost money on other classes and was glad to have anyone take these over who wished. But, of course, who would want to get a piece of a money losing business?

A number of people have evidently been anxious to move in on this money losing business—and some have done so. Tom Murray started a service in Oklahoma City where he offered to deliver third class mail for \$25 a thousand, much less than the \$43 a thousand the Post Office charged, and to guarantee that delivery within a specified time. The Post Office's habit of frequently delivering such mail after the event had already occurred that was being announced of course created many customers for Tom Murray, giving him the opportunity to lose even more money than the Post Office since he was charging less and giving better service. To everyone's amazement, he is making money. Others find the opportunity to compete with the P.O. on these terms so attractive that Mr. Murray has now franchised operators or is operating in sixty other cities under his Independent Postal System of America banner. His 1500 bonded carriers are serving 70 million people in these sixty cities in the U.S. and Canada, and he appears to be making money.

In the parcel post area, United Parcel Service is competing with the Post Office. Its service is enormously superior to that of the U.S. Post Office and its rates are lower. Where the Post Office charges \$1.17 for a 10 lb. package mailed in San Francisco and delivered in Portland in eight to ten days, United Parcel charges 98¢ and delivers in two days.

Now these are services on which the Post Office claimed to be losing money, yet private operators are providing better service at less

cost. Think of what private operators could do for first class mail service—which has deteriorated to the point of being ludicrous. The service is so poor that many companies pay the postage they are required to pay by law for first class mail but never let their mail get near a U.S. Post Office. They deliver the mail themselves rather than lose the time involved in letting a U.S. postal employee get his hands on their messages.

If we wish to improve our mail service and reduce its costs, we don't need to sell the Post Office. All we need to do is repeal the law monopolizing the carriage of first class mail for the U.S. Post Office and the law monopolizing the use of a householder's mail box. The would be competitors who are now being prosecuted for violating the law could operate. Also, the alternative services that would become available would greatly reduce our vulnerability to a postal strike.

At present, a large portion of the monopoly power in the hands of the U.S. Post Office accrues to the interest of the postal unions. The result has been that postal workers in the last ten years have been winning wage increases outstripping those of industrial workers. From 1959 to 1969, postal wage rates rose by 4.7% per year while industrial wage rates rose by 4.4% a year. You might never suspect that listening to the complaints of New York postmen. Given their recent success, a continuation of a monopoly Post Office is going to result in postal wage rates rising even more rapidly in the future. Simply setting up a U.S. Postal Service will not cure that situation, as has been demonstrated by the transportation unions. With competition from potential entrants to the common carrier transportation industry barred by the necessity to obtain a certificate of public convenience and necessity, the unions in the industry have a monopoly position which has enabled them to win wage increases well in excess of those won by other workers—and they win them at the expense of other workers. The Brotherhoods, the Teamsters, and the Air Line Pilots Association are a labor aristocracy engaging in wage setting activities which depress the wage rates of workers in other industries.

The alternative to the present proposals for reform of the Post Office, proposals which will do nothing to improve many aspects of the situation—is simply to repeal the law monopolizing the carriage and delivering first class mail and the law monopolizing the use of the householder's mail box.

[From the Dixon (Ill.) Telegraph,
Apr. 15, 1970]

COMPETITION URGED TO CURE POST OFFICE ILLS

WASHINGTON.—Efficient, dependable postal service at reasonable cost can be achieved only if the prohibitions on private competition with the Post Office are removed, Congressman Philip M. Crane, Republican of Illinois, has said.

Crane introduced legislation to repeal the legal prohibitions on private mail carriers, calling for an end to the government's monopoly of the postal service. "Private carriers should be permitted to enter into competition with the Post Office," Crane stated, "so that the carrier who provides the most efficient service at the most reasonable price may prevail."

"I believe it is time for the Congress to act to improve our postal system by providing for the Post Office the same stimulant that has brought American business and industry to its high peak of achievement: competition," the congressman continued.

Rep. Crane, whose district includes the northern Cook County suburbs of Chicago, a city hard hit by the recent wildcat walkout of postal employees, charged with neither the present system nor the proposed postal corporation can adequately guarantee improved

mail service. He stressed the necessity of bringing the innovative abilities of the American private enterprise system into play to develop new and more efficient techniques for postal service. The widespread and immediate response of business and industry, he stated, to the urgent need for alternatives to the Post Office during the recent strike, indicates that the private sector is willing and able to meet the challenge that would be presented by this legislation.

Crane pointed out that the federal monopoly of the postal service is inconsistent with our national anti-trust policy. "Why," he asked, "should the government continue to exercise a monopoly over the area of postal service, when it would not permit private enterprise to exercise monopoly power over any other area of the economy?"

In response to the charge that free competition for mail service would leave to the U.S. Post Office only that portion of the mail unprofitable for private carriers to handle, Crane stated that "basic economics would dictate that we determine the real costs of those services, and see that individuals, businesses or other users are held responsible for paying them."

In introducing his legislation Crane called upon members of congress of both parties to put aside political and ideological differences and join in support of constructive change that will improve the mail service available to every American.

"This legislation," he said in summation, "will constitute an important step toward an efficient postal system, a system that will bring into play the energies and technological expertise of our dynamic private sector and permit the free, competitive market to operate: insuring for us all that our mail can be delivered with the maximum feasible speed and accuracy at minimum cost."

[From the Chicago Tribune, May 11, 1970]

MAIL SYSTEM NEEDS COMPETITION: CRANE

Improving the nation's postal system can best be accomplished by introducing competition, Rep. Philip Crane [R., Ill.] said last night during the Manion Radio Forum.

He discussed the reasons why he introduced a bill in the House of Representatives which calls for repealing United States code provisions that prohibit private carriage of mail.

"Passage of the bill would permit any corporation to compete for a share of the 'mail market' with the result that carriers providing the most efficient service at the most reasonable price would prevail," he said.

TECHNIQUES UNCHANGED

The present system as a monopoly does not allow for new, sophisticated techniques for delivery, Crane said, and "with the single exception of the airplane we are still using basically the same techniques used a century ago. The innovative talents of private enterprise could provide rapid development."

New handling methods would create, rather than eliminate, jobs, as automation has done, but if present methods are not improved, the demand for postal workers will far exceed the supply, he said.

With a free market to set their own postal rates and wages, private carriers would pay salaries greater than those of government employees, he said, and thus the major complaint that led to the recent strike would not exist.

"Further, if a strike of government postal workers did occur, the nation's economy would not be brought to a virtual standstill because private carriers would continue to operate," Crane said.

TRANSFERS MONOPOLY

"This assumes there would be no industry-wide union which is compulsory in the administration's current postal corporation proposal. This proposal merely transfers the

monopoly from an existing governmental agency to a newly created quasi-governmental body. The monopoly and its natural inefficiency would still exist," he added.

This is not a scheme to "sell" the post office or to abolish it, Crane said, but merely to provide alternatives to it.

"The government agency would continue to exist, either in its present form or as a postal corporation. If by chance the private sector did not rise to the challenge, the post office would still be there to do the job it does now. But I believe that private enterprise would respond vigorously."

[From the Freeman, January 1970]

PRIVATE MAIL COULD BE A PUBLIC BOON

(By Melvin D. Barger)

The postman is figuratively ringing twice in a number of American cities these days. One of the rings could be sweet music to citizens angered by the growing problems of the Federal postal system.

The new courier on the scene is the Independent Postal System of America, making its appointed rounds now in many cities and soon to open services in more. IPSA, established in February, 1968, is an upstart in the communications field and an infant among corporations. But it has made a sensational start and has all the earmarks—or perhaps postmarks—of being the right idea at the right time.

One man who obviously thinks so is its founder, 42-year-old Tom Murray, who already pictures IPSA jettisoning ahead into the billion-dollar class. Murray, a restless, entrepreneurial type, could be accused of exaggeration, except for several interesting facts. One, IPSA has already landed enough sales to produce \$1 million in profits during its first year of operation. Two, the potential market is there; postal services run into billions and could go much higher in the years ahead. Three, public opinion is turning bitterly against the U.S. Post Office Department, and the times are right for constructive change.

The last item may turn out to be a matter of considerable importance to IPSA's future. Until a few years ago, the public accepted the government postal monopoly as a fact of life; some people even seemed to believe that only government had the competence to carry mail. A suggestion that private corporations could handle postal services with greater efficiency and economy was often hooted down; it was like suggesting that a private company take over the Washington Monument or the U.S. Coast Guard.

But a number of things have made a private mail system more acceptable in the public mind. Postal service seems to be deteriorating, or at least not keeping up with the noticeable advances in other services (such as the telephone system). The yearly postal deficits are always well-publicized, causing people to wonder frequently "why the Post Office can't at least pay its own way." There have also been the annoying rate increases and raging legislative battles over proposed rate boosts for different classes of mail. Attempts to raise third-class rates have enraged business mailers, and efforts to change the admittedly low rates for publishers has probably contributed something to the bad press the Post Office has been getting.

There may also be some disillusionment over the frequent crusades to make the Post Office more businesslike, an effort that seems to be relieved with each change of administration. There was honest hope that Arthur E. Summerfield, a successful Michigan businessman, might succeed in this when he joined the Cabinet in 1953 as President Eisenhower's Postmaster General. Summerfield did make some needed improvements in using private capital to provide for new post office building construction, but he also incurred the hostility of the postal unions and faced considerable political opposition to

many of his plans. Summerfield's reign at the Post Office proved that the Department's problems couldn't be solved simply by putting an astute businessman in the head chair.

THE KAPPEL PROPOSAL

The latest play in the attempt to buck up the faltering Post Office was the proposal by the Kappel Commission to put the Department under a government corporation. Mr. Kappel, the retired board chairman of the giant American Telephone and Telegraph Company, was doubtlessly chosen to study the Post Office because of his own impressive career in a related communications field. The Kappel proposal now has the endorsement and active backing of President Nixon, but it faces stiff opposition in Congress and from the postal unions. Right now the Kappel plan appears dead. If organized along lines suggested by Mr. Kappel, the Post Office might conceivably become better administered, with less interference from Congress and more control over its own operations. However, the Kappel recommendation is essentially an attempt to remedy the shortcomings of a socialistic enterprise by converting it to another organizational form; it still rests on the delusion that socialism can be made to work if only the right combination of management and organization can be found.

The question of private ownership of the Post Office did get an airing by Mr. Kappel, who dismissed the idea of selling the Post Office because, with the Post Office's deficit, liabilities, and investment needs, "you couldn't sell it to anybody."

The fact that the question of "selling" the Post Office was even asked shows that there's growing interest in a private postal system. Mr. Kappel's answer revealed the philosophical limitations of a man who has spent his own lifetime in a monopolistic enterprise, albeit a highly successful one. He did not seem to be thinking of the possibility that postal services could be supplied by new organizations, not just the one now in existence. He apparently could not bring himself to the point of proposing that anybody ought to be allowed to carry any class of mail, that mail deliveries should not be a legal monopoly of either a public or a private organization.

FROM BELLBOY TO MAILMAN

Against this background of mounting dissatisfaction with the Post Office, Tom Murray's Independent system has come into existence. Murray had no previous postal experience and would have had trouble getting a minor position in the Federal System. An Irish immigrant, he came to America in 1950 and began his business career as a bellboy in a Detroit hotel. Before long, however, he had become manager, and after that his rise was spectacular. The Mayor of Detroit actually proclaimed a "Tom Murray Day" in 1955, in recognition of Murray's outstanding service in community affairs. He was soon hotel owner as well as manager.

Murray's interest in hotels eventually took him to Oklahoma City where a conversation over a cup of coffee finally nudged him into the mailing business. A local businessman, Darrell Hinshaw, was complaining about his own growing difficulties with postal services. This was nothing new. But the complaints went a step further. Murray soon had some calculations and surveys which indicated that a private company might be able to carry third-class mail at lower rates than the government and still make a profit!

The figures fired Murray's imagination, particularly the business potential involved. Hotels and motels, as everybody knows, work in a field of fierce competition, with top limits on the growth that even the most successful firm can achieve. But here in the mailing field the potential field alone was

in the billions. If a private company could break into the field and establish its own position, it could not only share this market but also participate in future growth of breathtaking proportions.

A LOOPHOLE FOR DELIVERIES

But how could a private firm enter the field when legislation prohibited it? Private mailing companies had actually flourished in early America, but by the middle of the last century had been driven out of business by the Federal Private Express Statutes. How could Murray work his way around statutes that had barred other businessmen from the mails for so long?

His door of entry was third-class mail, which has been shrilly condemned as "junk mail" in recent years and at times has been held responsible for many of the Post Office Department's problems. There's a fine line between "third-class" mail and circulars. A business firm for example, has the legal right to deliver printed material to residences, but not to use the mailboxes. Murray dashed off to a Third-class Mailers' convention, and listened to their gripes and problems, and also found them receptive to the idea of a private delivery system.

"I felt that the Third-class Mailers had made a major error in permitting their products to be labeled 'junk,'" Murray says. "Third-class mail isn't junk, and it deserves its rightful place in the area of commerce."

Certainly by now that he was on track, Murray found a group of backers who could put up \$50,000 immediately and underwrite an additional \$2 million for later expansion. By January, 1968, he had incorporated IPSA, opened offices in Oklahoma City, and announced plans to begin service in February. Deliveries would begin in the city, and then fan out to nearby states, with the long-range goal of becoming nationwide. As if to emphasize the nationwide goal, Murray chose an outline map of the U.S. for the system's trademark and insignia.

DISPOSABLE MAILBOXES

Announcement of the daring venture captured the public interest; yet it also seemed a too-risky exercise in audacity. *Newsweek* magazine called it a "showdown" with the Post Office, and hinted that Murray would be blocked by Federal authorities. Reporting that Murray had already signed delivery contracts with a rubber firm and an insurance company, *Newsweek* also cited a Post Office Department legal counsel's opinion to the effect that Murray's operations were illegal, that nobody but the Post Office has the right to carry any class of mail. The magazine also suggested that Murray would be courting real trouble when he began making delivery in home mailboxes.

If there was any showdown, nobody in IPSA's headquarters ever noticed, because the Independent System swung into operation on its announced starting date and was soon making almost routine coverage of most of Oklahoma City. Murray wisely avoided challenging the Post Office Department ruling on use of home mailboxes, and developed an attractive plastic container which can be suspended from most doorknobs. The container not only protects the mail and other articles, but one side also serves as an advertisement for the Independent System. The other side has been sold as an advertisement for other firms, actually making the plastic container a profit item instead of an additional cost burden. IPSA would still like to use private mailboxes and is currently trying to get approval of a dual-compartment type, but the plastic bag is doing very well for the time being.

Murray's customer list multiplied almost magically, and by the end of the first year the system had served more than 100 clients and was operating in every major Oklahoma city as well as communities in Texas, Missouri, Ohio, Arkansas, Alabama, Mississippi,

Illinois, New York, and even Canada. The company was expanded rapidly by selling franchises, and received hundreds of inquiries from private individuals seeking their own postmasterships. At the same time, IPSA was getting remarkable press attention, almost all of it favorable. *Newsweek's* follow-up article after IPSA's first year was largely a success story and other publications such as *Saturday Review* and *Nation's Business* saw a bright future for the Independent System, the latter calling it a possible end to the "130-year-old Postal mess."

GUIDED BY THE MARKET

Surprisingly, however, many of the Independent System's operations seem to be similar to those of the Federal department. The couriers still travel on foot, and use vans closely resembling U.S. Postal vehicles. IPSA deliverymen and U.S. mailmen wear almost identical uniforms, walk the same routes, and are often chased by the same dogs. What innovations have given the Independent System an edge, allowing it to take business away from the government mails?

One advantage has been price. Generally, IPSA has been able to deliver third-class articles at about 90 per cent of the Federal rate. A 2½ ounce item, for example, can be delivered by IPSA for 3.3c versus 3.8c for the U.S. rate. More important, IPSA can guarantee a specific delivery date, which many business mailers such as local retailers must have in publicizing special sales and other events. The Independent System has no "first-class" mail taking precedence in employees' minds, and hence all mail is given the same attention.

Beyond that, IPSA's businesslike approach to problems may be winning them some clients. IPSA salesmen are making regular calls on large business mailers, such as Sears Roebuck, making it clear that their patronage is wanted and appreciated and offering to make service as attractive as possible. Until now, it has been the business mailer who has had to go hat-in-hand to deal with Postal bureaucrats and to be reminded of his product's inferior status in Post Office operations. It must be refreshing to most of them not to hear the term "junk" anymore.

Is IPSA actually handling third-class mail more economically than the government? Probably, although nobody can prove it because the Federal system has no systematic approach to its own costs and cannot say for certain that any class of mail is profitable or unprofitable. As a politicalized institution, the Post Office has simply carried the mail at rates established by Congress, then appealed to the same Congress to make up its annual "deficit." Even the deficit has been something of a myth, however, because the Department doesn't follow customary accounting practices for its overall operations and cannot really be compared with a corporation of similar size. For one thing, capital expenditures for the Post Office have been intolerably low almost every year and there are no indications that Congress will be willing to make them any higher.

THE UNCERTAIN FUTURE

Where will it all end? Will Murray's Independent System continue to flourish and grow until it replaces the Federal Post Office? Or will the two systems continue to operate side-by-side, with Murray's organization specializing in "third-class" and the U.S. Post Office carrying the rest of the mail?

Most likely, IPSA's growth and success will turn out to be a source of embarrassment to the Federal mail carriers. In time, the department might conceivably want to restrict IPSA's operations. But this would bring it into collision with public opinion, which wouldn't support favoring the government's Goliath at the expense of Murray's David. If anything, public opinion may veer in the

direction of permitting Murray or anybody to haul all classes of mail. If so, this would be a tremendous victory for free enterprise, and would finally give libertarians a chance to prove on a wide basis what they have always contended: that private businessmen can deliver the mail for a profit and give the consumer the same efficient service he gets in the delivery of other items.

Some persons believe that a private competitor may cause the Federal system to bestir itself to more efficiency. But don't look for it. The faults with the U.S. Post Office are the basic shortcomings of a socialistic, politicalized bureaucracy, and the officials and others working in the system, even if somehow they could know what ought to be done, are powerless to make the necessary changes. They simply can't make and carry out the day-to-day adjustments and decisions necessary to a good business operation. That's no surprise; it is the nature of socialism to centralize authority, to distort the price signals of the market, to discourage individual incentive, and to subsidize incompetence. Ironically, most of the schemes for correcting socialistic excess—such as the Kappel plan for the Post Office—really involve creating some of the conditions that prevail as a matter of course in private, profit-minded corporations.

It is also unfortunate that most people think it will take Acts of Congress to give us better mail service. We could have it right now if Congress would only repeal some of the Acts it has already passed. We simply need the freedom to let anybody carry mail. Right now, Tom Murray seems to be doing a great job with the "junk" mail the U.S. Post Office doesn't want to handle. He might do even better if he could carry all classes of mail. And suppose a few other private carriers also got into the mail-carrying business? Who knows? Even Murray might do better under the lash of competition!

[From the Dixon (Ill.) Telegraph,
Mar. 25, 1970]

WIRE TO FEDERAL OFFICIALS

President RICHARD M. NIXON,
The White House,
Washington, D.C.

Senator RALPH TYLER SMITH,
Senate Office Building,
Washington, D.C.

Senator CHARLES H. PERCY,
New Senate Office Building,
Washington, D.C.

Representative JOHN B. ANDERSON,
Longworth House Office Building,
Washington, D.C.:

Allow the post office department to pay what the union demands. The Postal Department should charge whatever is necessary to cover its cost of operation. Do not give the Post Office Department any subsidies to make up for their losses.

It is important to pass a law annulling the government monopoly on the delivery of mail. This is necessary if you are interested in cutting taxes and holding down inflation.

Allow anyone to deliver mail at whatever charge they desire. You will be surprised at what free enterprise will accomplish and the taxes it will save the people.

BEN T. SHAW,
Dixon Evening Telegraph.

The above telegram was sent today. It would help if many citizens would send a similar telegram, or, better yet, one expressing their own opinion.

The postal union leaders claim their members in the larger cities (Chicago, New York, etc.) need higher pay because living conditions in large cities cost more. Is pay based on living costs or one's ability to produce or a combination of both.

In reality the men working in the Dixon Post Office are much better educated and accomplish more than the employees in Chicago and New York.

Last summer the Readers Digest carried a frightening article on the waste and lawlessness of many of the post office employees in the city of New York. They probably are way overpaid now.

[From the Chicago Tribune, Mar. 28, 1970]

COMPETITION FOR THE POST OFFICE

Illinois' new Republican congressman, Philip Crane, has introduced a bill to repeal the monopoly now enjoyed by the United States postal service. The bill would subject the post office to the same free competition which the government itself insists upon to keep other businesses on their toes.

The proposal is hardly new; it has popped up periodically ever since 1843, when rising postal rates [6 cents a letter] and bad service spurred the growth of private express companies and aroused a clamor to abolish the government's "odious monopoly." Instead, Congress was persuaded to reinforce the monopoly with new laws against competition. The public, meanwhile, was appeased by imposing a statutory limit on the rate of postage. This willingness to subsidize the mails, plus normal bureaucratic inefficiency, has condemned the post office department to an almost perpetual deficit.

Mr. Crane's proposal comes at a more auspicious time than the earlier ones, however. The support for a government monopoly is weaker today than ever. The administration itself proposes to set up the post office as an independent agency, to be run like a business corporation—so why shouldn't it be subject to the same competitive pressures as a private corporation? After all, it is the consumer who benefits most from competition.

Nor is Postmaster General Blount in a good position to defend the government monopoly. As former president of the United States Chamber of Commerce, he was a champion exponent of the benefits of free enterprise and competition, and a steadfast critic of big government.

As for the postal workers, they angered a good many of their voting customers by their recent illegal strike. And by violating their pledge as federal employees not to strike, they would also seem to have forfeited whatever claim they may have had, as federal employees, to protection from competition. Indeed the emergence of private competitors, presumably earning a profit, might well push up the wages of postal workers everywhere.

So Mr. Crane's proposal ought to be taken seriously. Not because we expect private enterprise to run the post office out of business very soon [the enormous investment in buildings and equipment gives the existing establishment an almost insuperable advantage] but because the stimulating effect of private competition would keep the post office on its toes. If service should slip, if rates should go too high, if politics should interfere, some private entrepreneur would be ready to move in—and the customers would be the beneficiaries, just as in the 1840s.

If the purpose of post office reorganization is to improve the efficiency of the service available to the public, Mr. Crane's proposal should be part of the package.

[From the Indianapolis News, Apr. 3, 1970]

POSTAL REFORM

Rep. Philip M. Crane of Illinois has introduced a bill amending U.S. postal regulations which could head off a recurrence of the recent crisis in the mails.

Crane's bill would eliminate provisions in the Federal law which prevent private carriers of mail from entering into competition with the Postoffice. This could be accomplished quite simply by repealing certain passages in two titles of the U.S. Code and by making slight amendments elsewhere. By a few strokes of the pen, Congress could restore sanity to our postal system in comparatively short order.

As Crane observes, the essential problem before us is that postal service is by and large a monopoly, and monopolies are inefficient. Insulated from competitive pressures of the market, they produce neither improvements nor quality service. Their protected status makes it impossible to determine appropriate rates for the services provided or fair compensation for their employees. And when the machinery stalls, there is no service at all.

"Private carriers should be permitted to enter into competition with the Postoffice," Crane says, "so that the carrier who provides the most efficient service at the most reasonable price may prevail. I believe it is time for the Congress to act to improve our postal system by providing for the Postoffice the same stimulant that has brought American business and industry to its high peak of achievement: competition."

The Illinois legislator goes on to note that support of monopoly goes counter to the professed ideas of the U.S. system. "Why should the government continue to exercise a monopoly power over the area of postal service," he asks, "when it would not permit private enterprise to exercise monopoly power over any other areas of the economy? Basic economics should dictate that we determine the real costs of those services and see that individuals, businesses or other users are held responsible for paying them."

If the monopoly status of the Postoffice were broken, competitors could insure that situations like last month's paralysis do not happen again. Innovations and improvements of service such as have occurred in countless other fields could be expected. Rates would be kept in line by the pressure of alternatives, while improved performance by more efficient methods would allow better compensation for employees.

Crane's proposal would benefit everyone concerned, the general public most of all. The only losers would be those who want to keep as many functions as possible under compulsory control. We urge Hoosier congressmen to support his bill.

[From the Milwaukee Sentinel, Apr. 4, 1970]

END MONOPOLY

The terms of the proposed settlement of the postal workers' strike merely confirms the belief we have held from the beginning. The government should end its monopoly over the delivery of mail.

The case for allowing private enterprise to compete in offering mail service is made all the more compelling by President Nixon's proposal to increase the cost of mailing a first class letter by 66 2/3% to 10 cents.

This increase, Mr. Nixon says, is needed "to contribute to the efficiency of the postal system." That's a laugh. The first class mail rate has been raised before in the name of improved service, but postal efficiency remains something that is only promised, never delivered.

Moreover, if things are worked out as planned, the Post Office Department is going to become a monopoly within a monopoly. It appears that the postal unions are going to get something federal employee unions have never had—the right to compel a worker to join a union in order to hold his job.

Compulsory unionism is bad enough in the private sector, depriving as it does an individual of his freedom of choice. It is even worse in the public sector. A government of the people, by the people and for the people should be supreme. It is not supreme when a labor union with monopoly power has the right to strike against that government and to bargain with it.

The people—you, the consumers—should not be lulled into thinking that the postal mess is going to be cleaned up by the actions being arranged by the labor union

bosses working with—or is it on?—Congress and the White House.

Instead, the people ought to demand that they get something in return for giving the postal unions monopoly powers and for having to pay higher taxes. That something in return could be a tradeoff—repeal of the government's monopoly on the private carriage of letters in exchange for the proposed whopping price increases to be brought about by the pay hikes and alleged reforms. This trade could be made simply by passing a bill introduced by Rep. Philip M. Crane (R.-Ill.).

If allowed to compete, private enterprise would, we believe, soon show that it is capable of providing more efficient mail service at a more reasonable price than the government can.

In fact, with the price of a first class letter at 10 cents, private enterprise may well prove it anyway, as the people find and use other ways to communicate.

[From the Dixon (Ill.) Telegraph, Apr. 15, 1970]

THE U.S. POST OFFICE

Who pays for it? Who pays for repairing the buildings and delivering the mail? The taxpayer does and yet our congressmen use it for their personal benefit. About 10 million dollars a year in free mailing privileges is just one of their many abuses.

President Richard Nixon has proposed the Post Office charge 10 cents for a first class letter. He also advocated reforms so that the postal department could be run as a business.

Democratic senators and representatives continue to throw roadblocks in the way. They now say that second and third class mail should carry its fair share of the expenses and demand a price increase on these items instead of increasing first class mail.

The boys in the rare atmosphere of Washington do not know what is going on. For instance, the Dixon Telegraph prints an advertising supplement to be mailed out through the local post office at 3.8 cents each, or nearly \$400 per week. There is also additional expense to the paper in hauling and delivering it to the post office and various forms to be made out.

An independent service in Sterling says they will deliver these papers for 3.3 cents each and pick up at our plant. That's a saving of ½ cent per paper. This company states they will be ready to go as soon as they can get a little additional business in this area. The company is now operating in the larger cities, such as Rockford.

Give free enterprise a chance and we will be amazed at what free people can accomplish.

It would be a good thing if the government would raise the prices on mail to take care of all expenses. Perhaps people would be so indignant at the additional expense that they would back Phil Crane, Republican Representative from Illinois, who has proposed a bill in Congress to annul the monopoly our government now has on the delivery of mail. This would give anyone who desires to deliver mail the opportunity to do so.

The government says it is illegal for anyone else to put material in your mail box. Well, did the government buy and install your mail box? No, you did, and yet the government claims jurisdiction as if it was its personal property.

The Senate Democratic Policy Committee unanimously adopted a resolution barring an increase in first class mail. Now what will this actually accomplish? It means large business will receive the advantage of sending quantities of mail at a cheaper rate than if they had to pay the 10 cents postage on each letter. The government will have to pay

the deficit created by this foolishness. They will not increase taxes for this deficit—therefore we will have more inflation. It is the people who are hit the hardest by any inflation.

Mr. UDALL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, at the present time and under present law the Post Office Department has a monopoly on sealed first-class mail.

This amendment would rescind that statute and would permit private companies, especially in the big cities, to go into competition with the United States mail. This is appealing on the face of it, but the fact is that the high-volume, low-cost mail, would be peeled off by the private carriers, and the Government would be left with the unprofitable business.

Also, as the gentleman from Illinois noted in his presentation a few months ago, the postal service recognizes that some day we may want to move in the direction of liberalizing this field of mail service under certain conditions where competition for sealed letters could be handled by private carriers. On page 294 of the bill there is a directive to the postal service by the Congress that requires the postal service to go ahead and make a study and to come back within 2 years with recommendations. That is the way to decide this, not at this late hour of the day in this hasty fashion.

Mr. Chairman, I strongly urge the rejection of the amendment.

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

Mr. UDALL. I yield to the gentleman from Illinois.

Mr. CRANE. Mr. Chairman, I might refer first of all to the point the gentleman raised that the reason for justifying the carrying of the mail by the postal service is to guarantee the delivery of the mail. I say that this is done through the United Parcel Service to remote areas as well as to the urban centers. And I think that settles that question.

So far as the question the gentleman raises about the volume and the high margin of the better paying mail being carried by the private carriers and the Post Office being left with the undesirable mail, let me state that if any private carrier is going to go in competition with the postal service that he will not enjoy that high volume, if he could not improve and compete by providing better service, and at a lower cost, and pay taxes on top of that, and do it with a reduced volume, then if he can, I suggest we ought to examine the present efficiency of the Post Office Department.

Mr. UDALL. Mr. Chairman, as I say, I have sympathy with the gentleman's purpose.

I think that we should have a study made and then let the Congress form its judgment rather than here at this late time.

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

Mr. UDALL. I yield to the gentleman from Pennsylvania.

Mr. CORBETT. Mr. Chairman, I thank the gentleman for yielding, and I agree

with the gentleman 100 percent that to adopt an amendment like this at this time when we are starting on a whole new postal reform system, would in my mind be highly dangerous and most disadvantageous. When we get this law passed and operating, and the studies are completed, then that would be time enough for this committee to prepare a draft of legislation like that.

Mr. Chairman, I urge that the amendment be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. CRANE).

The amendment was rejected.

AMENDMENT OFFERED BY MR. MATSUNAGA

Mr. MATSUNAGA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MATSUNAGA: Page 178, line 2, after the period insert: "It shall be the policy of the Postal Service to pay cost-of-living allowances to employees stationed outside the continental United States or in Alaska which shall be not less than the cost-of-living allowances generally applicable under section 5941 of title 5 of the United States Code for employees stationed in the same area."

Mr. MATSUNAGA. Mr. Chairman, the amendment which I offer merely seeks to correct an inadvertent omission in the bill. It would merely continue existing law as it pertains to cost-of-living allowance for postal employees stationed in Hawaii, Alaska, Puerto Rico, and the Virgin Islands.

I have conferred with both the majority and the minority members of the Post Office and Civil Service Committee and have been assured of their support of my amendment.

Mr. DULSKI. Mr. Chairman, if the gentleman will yield, we will be very happy to accept the amendment.

Mr. CORBETT. Mr. Chairman, if the gentleman will yield, I also find myself in complete agreement with the gentleman's amendment.

Mrs. MINK. Mr. Chairman, if the gentleman will yield, I would like to join my colleague and commend him for bringing this matter to the floor of the House. It is of vital concern to the postal service employees in our State and I urge its acceptance.

Mr. MATSUNAGA. Mr. Chairman, I thank my colleagues for their generous remarks and support. I urge the adoption of my amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Hawaii (Mr. MATSUNAGA).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. ANDERSON OF ILLINOIS

Mr. ANDERSON of Illinois. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ANDERSON of Illinois: On page 258, after line 25, insert the following paragraph to section 1008(c), at the end thereof:

"The Postal Service is directed to promote modern and efficient operations and notwithstanding any other provision of this law; to refrain from expending any funds, engaging in any practice, or entering into any agreement or contract which restricts the use

of new equipment or devices which may reduce the cost or improve the quality of the postal service, except where such restriction is necessary to insure safe and healthful employment conditions."

Mr. ANDERSON of Illinois. Mr. Chairman, I realize that we have arrived at a stage of the proceedings where the merits of an amendment are largely judged by the brevity with which the author can present his proposal.

But I would seriously hope that my amendment would be accepted with the same alacrity as was the amendment offered by the gentleman from Hawaii (Mr. MATSUNAGA).

The purpose of this bill, Mr. Chairman, is to reform the postal system. The gentleman from Arizona a few minutes ago when we were discussing the Gray amendment said that the great need of the Post Office today is for new technology, new facilities, and new equipment; you cannot accomplish a reform of the postal system if you have restrictive work practices and continue to use all outmoded equipment that might possibly be required if we got the wrong kind of collective bargaining agreement.

Let me point out that the postal service, because this bill in its present form would incorporate the National Labor Relations Act, it follows that the service will be required to bargain with the postal unions about any management decision with respect to any modernizing that affects wages, hours, and working conditions.

Then if an agreement, as I understand it, cannot be reached through the collective bargaining process, the dispute must be settled through arbitration.

All that I seek to do with this amendment is to assure that neither labor nor management will expend funds or enter into a contract or agreement that would have the effect of restricting the introduction and use of new equipment and new materials and of new devices that would bring about the efficiency which everyone says that we need if we would truly reform the postal system.

If there is anyone here this afternoon who thinks that this particular amendment is designed in any way to be an antilabor or an antiunion amendment, let me disabuse you of that idea right away by quoting to you very briefly from a speech that was delivered back in 1962 by a former distinguished Secretary of Labor, Arthur J. Goldberg, when he spoke in New York on March 3, 1962, before the United Federation of Teachers.

This is what he said then and I think it bears repeating on this section:

The influence of employee organizations must never be used to block or impede measures designed to improve the efficiency of government operations, whether it is by the introduction of new machinery, the transfer of operations, or their termination. When such developments take place the proper role of employee organizations is to look after the readjustment of the employees affected, but never to prevent the development from taking place.

Obviously, with the adoption of this amendment, you would have the situation that the unions would still have

every right to bargain over any possible effect of introducing new methods and new materials and new technology with respect to the readjustment that would be required and they would have complete and full bargaining rights, as they should. We are embarking in a very real sense, on new and uncharted waters, as we certify bargaining representatives for the 740,000 members of postal workers' unions to sit down across the table and hammer out by true collective bargaining the terms and conditions of employment.

It is important at this very crucial time that we, in the Congress, clearly indicate our intent and purpose that in these negotiations and in the agreement that is arrived at that we do not tolerate and will not countenance an agreement which will be restrictive so far as new technology and new methods are concerned. If we did tolerate it, then I think we would frustrate the very results we are trying to achieve by this reorganization.

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

Mr. ANDERSON of Illinois. I am pleased to yield to the gentleman from Pennsylvania.

Mr. CORBETT. You said at the outset that you hoped the amendment would be accepted with the alacrity that the gentleman from Hawaii had his amendment accepted.

Mr. ANDERSON of Illinois. The gentleman is correct.

Mr. CORBETT. I can only make this contribution: I will do so, and I hope the chairman will do so, also.

Mr. ANDERSON of Illinois. I thank the gentleman from Pennsylvania.

Mr. EVANS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Colorado.

Mr. EVANS of Colorado. I ask the gentleman to yield for the purpose of clarifying the intent of the amendment. I would like to know whether or not it would be contrary to the spirit of your amendment if an agreement were made which provided for a period of transition. Let us say that some new equipment were devised which would reduce the costs, but which would also severely affect employment. Under your amendment would it be illegal for the negotiation of an agreement which would provide for a period of transition?

Mr. ANDERSON of Illinois. No, I think not. In answer to the gentleman's question, I think not.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WILLIAM D. FORD. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Michigan is recognized.

Mr. WILLIAM D. FORD. If the gentleman from Illinois would remain in the well, I should like to ask him a question. Does the gentleman care to tell us whether or not he has solicited the opinion of the Postmaster General on this amendment, and whether or not the Postmaster General, who has been most

intimately concerned with this whole problem, has a position?

Mr. ANDERSON of Illinois. No, I must confess to the gentleman from Michigan (Mr. WILLIAM D. FORD) that this is a matter solely of my own initiative. I have not solicited the views of the Postmaster General. But I would certainly think on the basis of every public statement that he has ever made during his tenure in office that he is interested in modernization of the postal system, and the introduction of new methods and new technology. His acceptance of the comprehensive recommendations of the Kappel Commission report, which carried the seeds of this whole movement for reform of the postal system, has been such that I cannot foresee he would have any objection to the language of the amendment.

Mr. WILLIAM D. FORD. I thank the gentleman. I think he would have to object to it if he is going to be consistent with the attempts he has made to sell this package ever since it was introduced about 15 months ago. Every postal employee has been bombarded with the faces of representatives of the postmaster on television saying, "You will have the same rights that people in private enterprise have. You will not lose any rights that you presently have. In fact, collective bargaining will be something greater than you have ever known it to be before."

The promise, the very firm promise from the beginning has always been that, "We will take the postal employee from where he is and improve his condition and not in any way put him under any kind of impediment."

Although the gentleman has said that he does not intend this to be an anti-labor matter, the fact is that he would take away from the bargaining table one of the principal things that employees might want to be able to bargain for, because it will prohibit any kind of contract on the ground that it might interfere with the installation of some new equipment.

Mr. ANDERSON of Illinois. Mr. Chairman, will the gentleman yield further?

Mr. WILLIAM D. FORD. I yield to the gentleman from Illinois.

Mr. ANDERSON of Illinois. Have I not made it clear that I think there would still be every right to bargain over what the effects of new technology would be, so if a readjustment of some kind would be required, the employee would be taken care of. But does the gentleman seriously urge on the House this afternoon the proposition that it is in the interest of good, solid, sound collective bargaining, sitting down across the table, bargaining, and arriving at an agreement that would restrict the introduction of new methods, new technology?

Mr. WILLIAM D. FORD. Certainly I do not urge it. Let us not get all excited about restricting new technology. We also want them to be able to bargain so they will not have to work under unsafe working conditions, and that is where we have a difference of opinion. The Postmaster General may believe that a new machine is an excellent way

to replace people, but it may endanger other people who are there using it. It might be the very thing they ought to question in a union contract.

Mr. ANDERSON of Illinois. Mr. Chairman, will the gentleman yield further?

Mr. WILLIAM D. FORD. I yield to the gentleman from Illinois.

Mr. ANDERSON of Illinois. The gentleman did not hear the language of the amendment, because I specifically included language to the effect, "except where such restriction is necessary to insure safe and healthful employment conditions." There is no attempt to install the kind of equipment which would be injurious.

Mr. WILLIAM D. FORD. Now the gentleman has me thoroughly convinced that the amendment is not as harmless as it first appeared, because if it were, he would not need the exception or the proviso the gentleman is talking about to get safety in the amendment. If the gentleman needs a proviso to get safety in the amendment, what is there to it?

Mr. ANDERSON of Illinois. Mr. Chairman, will the gentleman yield further?

Mr. WILLIAM D. FORD. I yield to the gentleman from Illinois.

Mr. ANDERSON of Illinois. Does the gentleman want to offer an amendment to my amendment striking out the proviso, "except where such restriction is necessary to insure safe and healthful employment conditions"?

Mr. WILLIAM D. FORD. No, I want to defeat the amendment if we can possibly do so.

Mr. CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. ANDERSON).

The question was taken; and on a division (demanded by Mr. WILLIAM D. FORD) there were—ayes 67, noes 32.

So the amendment was agreed to.

PREFERENTIAL MOTION OFFERED BY
MR. WRIGHT

Mr. WRIGHT. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. WRIGHT moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. CORBETT. Mr. Chairman, a point of order. Has not such a motion already been introduced and defeated?

The CHAIRMAN. It has been, but other business has transpired since the first motion to rise and strike the enacting clause. The motion is in order, and the gentleman from Texas is recognized for 5 minutes.

Mr. WRIGHT. Mr. Chairman, the shape this bill is in, I think, is revealed in the fact that members on the committee that brought it to the House cannot agree among themselves either on the major provisions of the bill or on the amendments that have been offered. There have been some 35 amendments offered here on the floor. Most of them have been offered by members of the committee.

I am advised that in the committee most of the amendments that were considered were accepted or rejected by very close votes, sometimes 12-to-12 and fre-

quently 12-to-13. I have been further advised that the entire bill finally was reported favorably by the committee on a very close vote, and perhaps I am mistaken, but I think it was 14-to-12.

That is not the essential evil of the bill, however, Mr. Chairman, nor is the essential evil of the bill the fact that it tramples upon the authority of the other committees of the House and invades their jurisdiction. The essential evil of this bill is that it gives away the authority of the Congress of the United States.

Mr. Chairman, I rather deeply resent, and I believe every Member of the House should resent, the implication that the only way to get reform in Government is for the Congress to sacrifice its responsibilities to some appointive group in the administrative branch. I do not believe that constitutes reform.

I rather deeply resent the implication that the Congress, the elected officials directly responsible to the people themselves, are more susceptible to unsavory political influence than some appointive officials downtown.

Mr. Chairman, I feel that the Congress, if it passes this bill tonight, will live to regret it. I believe most Members of the House will come bitterly to regret that we have given away the responsibility of the Congress to control postage rates, to control hours and conditions of work, to control salaries for work, and to promote service.

There is no reason to press this bill in its present form, unless we adopt the theory that the Congress, elected Representatives of the people, are incompetent to produce intelligent guidelines for the efficient conduct of the postal service. Unless we accept that premise there is no basis whatever to justify giving away so much of the authority and responsibility of the Congress.

Is there a man in this House who really believes that people downtown, appointed by some administrator, are going to be as responsive or as receptive to the needs and the wishes of the American people as he is? If so, he should vote for this bill.

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

Mr. WRIGHT. I would prefer not to yield. I have been reasonably quiet today and have not asked other Members to yield to me, and I only have 5 minutes.

I will support a postal pay bill. I will support it today. I will support it retroactively. I hope there will be a recom-mittal motion that will permit us to support those things, and yet not give away the responsibility of the Congress.

Do Members know that this bill will permit the very kind of thing that has been going on as to the denigration of postal service? That is what the post office is for, for service to the people. Do Members know what has been going on? The administration advocates of this plan have been discontinuing fourth-class post offices throughout the country. That is service, service to the remotest hamlets in this country. That is the purpose of the post office, and not whether it makes a profit or not. The question is whether it serves the people.

Do Members know what has been go-

ing on? The present administrators eliminated, as of last year, one daily delivery in every business section of America. In July of last year, if I am correctly informed, they eliminated the ABCD delivery system, which guaranteed the same day local delivery of business mail.

This is all we are asking for if we support this bill. We are asking for service to be reduced and for higher rates to be saddled upon the first-class users, and we are agreeing in advance that we shall have no redress to prevent that from occurring.

Members of the House, if you feel as I do about this, let us address ourselves to the demonstrable need for improving wages and working conditions, and then let us assume the responsibility the Congress always has had, and let us ask this committee to bring back to us the kinds of bills that will permit modernization, by all means. But let us not sacrifice the responsibility of the Congress in the name of the expedient and superficial appearance of reform.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. BRASCO. Mr. Chairman, I rise in opposition to the preferential motion.

The CHAIRMAN. The gentleman from New York is recognized for 5 minutes.

Mr. BRASCO. Mr. Chairman, I like all the Members of the House, have great respect for this body. I do not take the floor of the House to chastise any individual Member or any committee.

Having been a two-term Member, perhaps I do not have enough standing to go back as long as many, to comment fully on what has happened to the Post Office Department in terms of service and the quality of life it offers its employees.

The Post Office people in the galleries have been around for a long time. Maybe they can tell us. Yes, we have done a great job. That great job we have done is we have these people starting out at \$6,200 a year and after a big 21 years they make \$8,400. We have 4,000 of them in New York City getting supplemental welfare checks, while Member after Member takes the floor of the House with slogans saying, "I fight poverty. I work." Well, they work. Yet when we come on the floor of the House with a bill that offers some kind of change and some kind of hope, all we have to offer to the American public, is that we engage in niceties concerning whose jurisdiction we are invading.

Then one Member took the floor of the House and even went back a little further when he said that what we are doing here is robbing Peter to pay Paul. What he does not know is that Peter never had anything to be stolen from him. That is what the Post Office employees have—nothing at all.

It is quite fantastic when the gentleman in the well, Mr. WRIGHT of Texas, talked about the responsibility of Congress. After exercising this responsibility, we have a \$2 billion deficit, poor wages, poor working conditions, and poor mail service. What we have before us is the hope of self-financing better wages, better working conditions and better service. Why do we not give it a chance? All I hear is argument after argument after

argument that we should not give the President or the Postmaster General the opportunity to choose who a postmaster in a particular area will be. Well, I will tell you something. I do not care who the postmaster in my area will be as long as he is good and efficient. I do not care where the post offices in my district will be built or which contractors will build them as long as they are built and they serve the American public.

Mr. Chairman, what we have here is no simple approach and it is a new one. That is why people resist it. It says to the American public that we must try to meet our commitment to them to get more efficient mail on a self-sustaining basis and we say to all of the workers sitting here all day and all night that we are willing to break the economic chains that we have kept them in for so many years; that we want to give them a break. That is the name of the game. I do not think we are fair with ourselves and the American public when we trifle in this bill over who should have jurisdiction over the airlines, the Postmaster General, the Committee on Post Office and Civil Service, or the Committee on Interstate and Foreign Commerce, or whether the Public Works Committee should have everything to say about every building that is built.

I suggest that none of those things have worked. I suggest that we should vote down the preferential motion and give this bill an opportunity to work and give the committee and the chairman of that committee, who worked so hard for 14 months the opportunity to continue to present this bill so that the House can consider it.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Texas (Mr. WRIGHT).

The preferential motion was rejected.

AMENDMENT OFFERED BY MR. MIKVA

Mr. MIKVA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MIKVA: On page 286, after line 3, insert the following new section:

"§ 1407. Privacy of letter mail originating outside the United States

"Notwithstanding any provision of this title or any other provision of law, with respect to letter mail in sealed envelopes originating outside the United States the right of the people to be secure in their papers and effects shall not be violated, and no such letter mail shall be seized or detained except pursuant to warrant issued upon probable cause, supported by oath or affirmation, and particularly describing the thing to be seized or detained."

Mr. MIKVA. Mr. Chairman, I offer this amendment to H.R. 17070 to insure that the traditional right of privacy that has always attached to citizen mail is preserved. The concern of this limited amendment is only with sealed letter mail originating outside the United States. Recent developments explain the need for this amendment. Prohibited, nonmailable matter originating outside the country often finds its way into the course of the mail. As a result, the Post Office and Bureau of Customs have con-

cluded that more effective procedures are needed to detect and seize the contraband. The two departments have recently proposed new regulations to allow seizure and detention of incoming mail, including first-class mail.

The new regulations, however, would permit the Post Office to turn over for inspection by Customs officials, all foreign letter mail suspected of containing nonmailable matter. The Customs Bureau would be empowered to handle these letters as it does foreign non-letter mail. That is, officials would be expected to open the sealed letters to inspect their contents for prohibited matter.

Opening of sealed letter mail is, of course, a severe invasion of the privacy of correspondence. The courts have always sharply restricted Government activity in this field. As long ago as 1878 in *Ex parte Jackson*, the Supreme Court ruled that letters were immune from any inspection except as to outward form and weight. The Court held that sealed letter mail was to be treated as if it were retained by the party forwarding it in his own domicile. Therefore, letters may be opened and examined only pursuant to the fourth amendment guarantees against unreasonable search and seizure. The Court has always held that this requires a search warrant issued upon probable cause and an affirmation particularly describing the thing to be seized.

As the Court pointed out in 1878 and reaffirmed as recently as last March 23:

No law of Congress can place in the hands of officials connected with the postal service any authority to invade secrecy of letters and such sealed packages in the mail; and all regulations adopted as to mail matter of this kind must be in subordination to the great principle embodied in the fourth amendment of the Constitution.

My amendment, then, will save the proposed new regulations from the courts. By embodying the firmly established constitutional guarantees, the amendment will permit the postal service to turn over to customs suspicious foreign letter mail. The customs officials will then be allowed to search the letter for contraband if, pursuant to this amendment, they obtain the necessary judicial warrant. If any other procedure is followed, the new regulations run the risk of being struck down as unconstitutional. Moreover, a fundamental liberty will have been sacrificed for the sake of a misguided expediency. It is somewhat ironic that Americans living abroad in countries where inviolability of the mails is not taken for granted have always been able to point proudly to America as a standard of comparison. Unless we are careful, that comparison will no longer be so favorable to us.

Still, it would be unfortunate if the Post Office were thwarted in its new attempt to police for nonmailable matter altogether. A Federal court in California just last September struck down the existing postal regulations regarding the seizure of incoming foreign mail. We can save the proposed new regulations so long as a warrant is required to open the letter. My amendment would do that.

I urge the adoption of the amendment. Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. MIKVA. I yield to the gentleman from Texas.

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

I would point out to the gentleman from Illinois that, according to Customs Service operation on our borders that "they can examine articles that they deem to be of a suspicious nature. They do not need to have a warrant to examine these, and I would ask the gentleman if that is not parallel to the right to withhold a letter from delivery and allow our postal or customs officials to examine it?"

Mr. MIKVA. Allowing them to examine contraband and opening a letter are two different things. They know when they are searching for contraband, and that is different from going into one's private mail without a warrant. They cannot go into a man's house without a warrant and search. But as to first-class mail, what are people buying when they buy this first-class mail other than privacy? And that is what I am suggesting.

Mr. WHITE. But, they are buying the postage abroad, and it is coming into our country. Is not that different from a citizen in our country buying the postage in this country? Such postal inspection performed is protecting the people; the State has the right to protect the people of this country by preventing the infiltration of materials into this country that could be harmful to our country.

The police power is properly applied at that point of entry into the country.

Mr. MIKVA. But for a citizen of the United States who is exercising his rights to privacy and is using first-class mail, I think a warrant should be required to search his private mail. It is different as to packages—this does not apply to packages, I might add, I am talking about first-class mail which gives a person the right to privacy, and I am seeking to protect that right.

Mr. ECKHARDT. Mr. Chairman, if the gentleman will yield, is it not true that under the amendment the letter itself can be seized and held until it is properly processed?

Mr. MIKVA. That is right.

Mr. ECKHARDT. A car, of course, at the border could not be seized and held without great inconvenience. So it is inspected before it is permitted to be brought into the country. The letter, though, can quite conveniently be held until constitutional process can be complied with without such undue inconvenience.

Mr. MIKVA. That is correct. Nothing requires that letter to be delivered until customs is through with it, but they have to seek a proper warrant to open it, thus protecting the privacy of a U.S. citizen until the letter can be opened through a warrant. But before they open it they ought to have a warrant.

Mr. UDALL. Mr. Chairman. I rise in opposition to the amendment.

Mr. Chairman, I hope the Committee will vote down this amendment although I am in sympathy in general with some

of the things that the gentleman from Illinois said.

There have been occasions where the authorities have invaded private mail coming in from outside the United States under circumstances where it was not warranted.

But our chairman, the gentleman from New York (Mr. DULSKI) received a letter from the Postmaster General dated June 1, 1970, dealing with this subject.

The argument made against this kind of legislation is that it would permit gold, for example fine gold, to be put in a first-class envelope—which is now subject to customs regulation—to be sent in 100, 200, or 500 envelopes. The same thing with reference to narcotics. The same with reference to small jewelry and similar items.

This is an important subject, but we are dealing here tonight with postal reform. What is the major structure of the new postal organization to be? It may well be that I could agree to a bill like this or similar to this if it were considered separately by our committee. But I would urge that this amendment be defeated here tonight and our committee take up this subject to see if there has been unreasonable administration presently in this respect.

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

Mr. UDALL. I yield to the gentleman.

Mr. DERWINSKI. Mr. Chairman, I support the argument made by the gentleman from Arizona.

Going beyond the constitutional debate which we do not have the time for this afternoon, if this amendment were to be adopted, the problem of stopping the flow of narcotics and pornography would be greatly compounded.

I do not believe we want to legislate on such a major issue with just 10 minutes of debate.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. MIKVA).

The amendment was rejected.

AMENDMENT OFFERED BY MR. BUTTON

Mr. BUTTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BUTTON: On page 263, amend subsection (a) by striking out the second sentence beginning with the words "The rates" in line 22 down through line 6 on page 264.

On page 264, strike out subsections (b) and (c).

On page 266 beginning in line 1, strike out "but subject to subsections (a) and (c) of this section,"; and redesignate subsections (d) and (e) as (b) and (c), respectively.

On page 276, lines 22 and 23, strike "by section 1202(c) of this title and rate changes".

Mr. BUTTON. Mr. Chairman, this amendment to section 1202 is in place of the previous public service amendment.

This amendment removes provisions in the bill permitting the postal service to increase charges on free and reduced rate mail if Congress does not provide appropriations to subsidize such mail.

Congress would then continue to determine which mail users would be en-

titled to free and reduced rates under public service.

The free and reduced rates affected by this amendment include free mail for the blind; the nationwide uniform rate for books, educational films and tests, recordings, and other educational and cultural materials; the library rate for the interchange of materials between libraries and between libraries and their patrons; the special rate for charitable, educational, religious and other nonprofit organizations; and the rate for publications within the county of publication.

The public service involved in these rates varies from one to another and depends, of course, on the accounting system which will be used by the new postal service. The public service cost for some of these rates is quite modest. For example, on the special fourth-class rate for books and other educational materials the present rates now cover 88 percent of demonstrably related costs.

These rates play a very important educational and social role. The rate on books, for example, permits users of books—and they pay the postage—to obtain a book through the mails at the same postage cost whether they live in areas remote from the publishing centers or whether they live immediately adjacent to those centers. Thus, a school or a library buying books in California need only pay 18 cents on the typical 2-pound package. This has been in effect for 32 years; previously, books had to be shipped by zoned parcel post, which greatly penalized schools, libraries, and individuals far from the publishing centers.

The library rate greatly increases the efficiency of the country's library system by permitting the loan of specialized volumes by one library to another, and also in permitting libraries to serve by mail their patrons in rural areas. In my own State of New York the commissioner of education informs me that the difference between the special rate and zoned parcel post would cost libraries and educational institutions in the State at least \$1 million annually. The cost to libraries and schools nationwide would be about \$10 million.

The rate for charitable, educational, religious, and nonprofit institutions is the backbone of many important charitable activities such as Save the Children Foundation, Easter Seal Campaign, and many of the important Catholic, Protestant, and other religious charities. Since these activities are worthy in their own right and also constitute a direct saving to the taxpayer in taking over functions which would otherwise have to be handled by appropriation of public money, the encouragement of these activities is deserving of our fullest support.

Many educational, library, religious, and charitable organizations are supporting this amendment, including American Library Association, National Education Association, U.S. Catholic Conference, Protestant Church-Owned Publishers Association, the Evangelical Press Association, and the Associated Church Press.

I strongly urge support for the amendment.

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

Mr. BUTTON. I yield to the distinguished chairman.

Mr. DULSKI. Mr. Chairman, the amendment offered by the gentleman from New York (Mr. BUTTON) deals with a problem I mentioned earlier.

I support fully the pending amendment to section 1202.

Congress has specified that certain classes of mail shall be handled at free or reduced rates. Nothing in this bill changes those congressional directives or rates.

But, the bill as written indirectly counteracts the congressional directives on these classes of mail by permitting increases in these rates up to the full regular rates if Congress fails to appropriate the funds.

This, therefore, is a contradiction. If Congress wants to change categories receiving free or reduced rates, it should do so in an affirmative manner, not indirectly.

I support fully the pending amendment.

Mr. BUTTON. I thank the distinguished chairman.

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

Mr. BUTTON. I yield to the gentleman from Pennsylvania.

Mr. CORBETT. I wish to commend the gentleman for having offered the amendment, and I recommend its adoption.

Mr. BUTTON. I thank the gentleman.

The CHAIRMAN. For what purpose does the gentleman from Montana rise?

Mr. OLSEN. Mr. Chairman, I rise in support of the amendment.

PARLIAMENTARY INQUIRY

Mr. DERWINSKI. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DERWINSKI. Under the limited-time arrangements we have been operating under, is it not customary that the time be at least divided between the proponents and the opponents of an amendment?

The CHAIRMAN. The Chair has attempted to so divide the time, and in almost every instance so far has done so. Is the gentleman from Illinois opposed to the amendment?

Mr. DERWINSKI. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The Chair will recognize the gentleman from Illinois.

Mr. DERWINSKI. Mr. Chairman, we have walked up this hill once before today on the Olsen amendment about 1:30 this afternoon. I would much prefer to be discussing the plight of the Washington Senators or the San Diego Padres than to be speaking against an amendment providing subsidized rates for libraries and other fine institutions. But the fact of life is that this amendment, which we turned back a few hours ago, flies in the face of the principle involved in reform. You and I, in attempting to do anything we can to support these wonderful institutions, certainly would much prefer making a direct contribu-

tion to them, than as taxpayers, having to contribute to constant deficits in the Postal Service.

This is a noble amendment, but it is an unworkable amendment. It is inconsistent with everything we have struggled for in these last 3 days. I would suggest at this point that we show the great statesmanship that I have seen all afternoon by voting down this amendment, and then we shall not have to face a conflict with the principles that we have emphasized in this bill.

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

Mr. DERWINSKI. I yield to the gentleman from Idaho.

Mr. McCURE. I thank the gentleman for yielding. I would just like to point out that I am sure each one of us supports some classes of preferred or less-than-full-cost-delivery mail category, such as the gentleman from New York referred to; but the proper way to meet that problem is to do as the bill provides at the present time, by meeting our responsibility, by making appropriations to cover those costs that are not fully covered by the revenue. We talk a great deal in this country about rights and corresponding responsibilities. We have a right as Members of Congress to establish preferred rates of mail, but we have a responsibility at the same time to pay the bill, and this simply sweeps that problem under the rug.

Mr. DERWINSKI. May I emphasize that our position taken on the bill should be consistent with the responsibility that the Appropriation Committee would have with regard to this Postal Service.

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

Mr. DERWINSKI. I yield to the gentleman from Montana.

Mr. OLSEN. Mr. Chairman, I agree with the chairman of the committee, the gentleman from New York, (Mr. DULSKI), that this should be accepted, and we are in this position. If we do not accept the Button amendment, then we are going to have to march up this hill every year. If we accept the Button amendment, we will be voting for preferential mail, and henceforth we will vote appropriations to take care of the library mail and the charitable mail.

Mr. DERWINSKI. We will not have to march up the hill every year because any preferential rate we establish will be permanent. The annual appropriation will be made.

Mr. OLSEN. Not in the Button amendment.

Mr. DERWINSKI. If the gentleman will remember, we had this amendment and similar amendments in committee, and this amendment follows the very same principle which the gentleman offered earlier, which was rejected.

Mr. THOMPSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Georgia.

Mr. THOMPSON of Georgia. Mr. Chairman, are not most of these organizations already tax exempt? Are they not already receiving preferred tax treatment?

Mr. DERWINSKI. That was the point we made in earlier debate. The gentleman is correct.

Mr. THOMPSON of Georgia. So in effect they already have a subsidy from the rest of the taxpayers since they are in effect tax exempt.

Mr. DERWINSKI. They have a proper legal status.

Mr. THOMPSON of Georgia. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. BUTTON).

The question was taken; and on a division (demanded by Mr. OLSEN) there were—ayes 44, noes 76.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. HECHLER OF WEST VIRGINIA

Mr. HECHLER of West Virginia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HECHLER of West Virginia: Page 165, beginning in line 19, strike out "He shall appoint" and all that follows down through the period in line 5 on page 166, and insert on line 19 a comma and the phrase "a majority of whom shall be representative of the public at large."

Mr. HECHLER of West Virginia. Mr. Chairman, there is a potential sleeper in this bill in the Postal Service Advisory Council. The Postal Service Advisory Council, consisting of the Postmaster General and a Deputy Postmaster General and 11 Presidentially appointed members, has the power to advise on postal rates, services, and compensation.

The potential "sleeper" is the fact that these 11 members include four from postal labor, "four persons as representatives of major mail users," as is stated on page 165, and only "three persons as representatives of the public at large." So potentially we have a situation where there will be only three representatives of the public against eight specifically designated special interests.

All I am suggesting in my amendment very simply and clearly is that a majority of this advisory council include representatives of the general public.

What is the postal service for? What is this bill for? This bill is not for the benefit of those who work for the Post Office. Uncle Sam is a good employer already.

The purpose of the bill is to provide efficient, speedy, reliable, economic service for the public. The general public is the generator of the greatest volume of mail. Over half the mail is first class. The latest figures of the Post Office Department show that in 1969 there were 46.4 billion pieces of first-class mail handled. This represents 56.5 percent of the total mail volume. In 1969, first-class revenue totaled \$3.1 billion, representing 50.1 percent of the total postal revenue.

It is deceptive to listen to the noise of the special interests—particularly the big junk mailers—and overlook the fact that we as representatives are here to speak for the public interest. All of us are serving the public interest, and for each of us the public interest is and must be paramount.

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

Mr. HECHLER of West Virginia. I yield to the gentleman from Texas.

Mr. WHITE. If this postal service is brought to the point of being self-sufficient for the future, is it not therefore important that we not load the advisory board with representatives of the major mail users, who might give benefit to themselves in preference to the general public?

Mr. HECHLER of West Virginia. The gentleman is absolutely right. The President is forced to appoint such special interest representatives, and his hands are tied in the language of the bill.

On page 165, lines 23 and 24 of the bill, it states specifically that there shall be "four persons as representatives of major mail users."

Why do we have to have those special interest mail users on this advisory council? Why not put at least a majority of representatives of the general public on the advisory council?

Mr. WHITE. In the first instance, we are substituting the advisory council for the Congress. Congress has always represented the public at large. Now the gentleman is suggesting that we have a majority represent the public at large in respect to rates, as an advisory council.

Mr. HECHLER of West Virginia. The gentleman from Texas is exactly right, and has stated my case very clearly and convincingly.

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

Mr. HECHLER of West Virginia. I yield to the gentleman from North Carolina.

Mr. HENDERSON. Does the gentleman understand that this advisory council is just that, advisory, and has no responsibility and authority?

Mr. HECHLER of West Virginia. I call the gentleman's attention to lines 9 through 12 of page 166:

The Commission and the Postmaster General shall consult with and receive the advice of the Advisory Council regarding postal rates and services and compensation of employees.

It appears to me from that language that this advice might prove to be influential, and that is why I believe the Council must be public oriented rather than special interest oriented.

All I am asking is that the advice be given by a majority of people representing the general public. What could be more fair?

Mr. UDALL. Mr. Chairman, I rise in opposition to the amendment.

This advisory council is advisory only, and has no power. The decisions will all be made by people who do represent the public.

We are going to a brand new system under which the mail users of the country have come to the Congress and lobbied in the first instance, so they wanted to have some vehicle by which the major mail users could consult with the new organization, with the Postmaster General.

This advisory council will have three public members on it, but there are

some provisions which require other members to be appointed from the various categories of those with special interest in the Post Office Department.

I do not believe the whole scheme will go down the drain if the amendment is adopted. Probably the President would do something like this in making the appointments. But we have promised that if we set up this new organization we would give the major users some forum in which they could be heard.

I urge the defeat of the amendment.

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

Mr. UDALL. I yield to the gentleman from Florida.

Mr. HALEY. I thank the gentleman for yielding.

Looking around here today I would say that of course down in my great State of Florida when we have an animal die we see these vultures gathering around sitting on dead limbs and dead trees.

I should like to say this, Mr. Chairman: I deeply resent the fact that today we have had here in the galleries of this Congress men who should be back taking care of their jobs.

I have been a friend of the postal people. I have voted for them. But I deeply resent the fact that they have come here from a place where we have had a strike, which has disrupted the mail facilities of this Nation, and they come here to put pressure on the Congress of the United States. I would advise them that they should go back home and take care of their jobs.

The CHAIRMAN. The question is on the amendment offered by the gentleman from West Virginia (Mr. HECHLER).

The amendment was rejected.

(Mr. CUNNINGHAM asked and was given permission to extend his remarks at this point in the Record.)

Mr. CUNNINGHAM. Mr. Chairman, when I hear some of these innuendoes aimed at the Citizens Committee on Postal Reform, I am reminded that few questions are being raised about the National Right to Work Committee. I know all about the Citizens Committee for Postal Reform. I know Thruston Morton and Larry O'Brien, although Mr. O'Brien is not one of my party. Certainly the vice chairmen listed on the citizens committee letterhead are eminent Americans.

I do not find these men of the citizens committee making extravagant claims or charges about postal reform. They seem to stick close to the information and recommendations released by the Kappel Commission. Studies made by the Commission or its subcontractors documented the problems in our postal system. These reports reveal the poor working conditions, the lack of opportunities for our postal workers, the inefficiencies, and the archaic post office system. These are facts.

But I am not so certain about some of the statements coming from the National Right to Work Committee. In my own case, I know for certain, the committee made some comments that were highly inaccurate to say the least.

I read several weeks ago in Right to Work propaganda that this reform legis-

lation contained compulsory unionism. This simply was not so. I read many other outlandish claims. Many seem to me to be pipedreams.

I am sure the National Right to Work Committee has found postal reform rewarding financially to them through their untrue statements mailed by the thousands to unsuspecting businessmen.

While some are making inquiries about the citizens committee, I would like to hear more about the National Right to Work Committee. It is time we have a full-scale investigation of this organization and its political lobbying activities which they are not allowed to do as a tax-exempt organization.

AMENDMENT OFFERED BY MR. GONZALEZ

Mr. GONZALEZ. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GONZALEZ: Page 267, immediately below line 2, insert the following:

"(f) notwithstanding any provisions of this title or of any other law, the rate of postage of each single, personal, handwritten postal card shall not exceed the rates charged under second class mail."

Mr. GONZALEZ. Mr. Chairman, this amendment merely perfects my previous amendment so it now reads that any single personal handwritten postal card shall not have a rate of postage any higher than the postal rate for second-class material.

For the life of me I cannot see any logical, justifiable reason to oppose this. Why should the first-class postal card user have to pay the freight when, if it is a personally handwritten card, it will really serve the purposes of communication for just a plain, average American citizen.

I ask that this be given very serious consideration and that this provision be adopted before we pass this bill out.

Mr. DERWINSKI. Mr. Chairman, I rise, in opposition, reluctantly of course, to the amendment.

The gentleman from Texas is correct. It is a very important amendment. We did give it thought within the committee, and therefore it is not in the bill.

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

Mr. DERWINSKI. I yield to the gentleman from Texas.

Mr. GONZALEZ. Will the gentleman answer the question why the committee, if it entertained this particular suggestion on a single personal handwritten postal card, why it would reject the proposition that the rate of postage on that card should be higher than second-class mail?

Mr. DERWINSKI. First of all, because it is handled first class and, secondly, because the rate now charged second-class mail is abnormally low but will consistently be increased. And from the standpoint of practical utilization of the new postal service, the gentleman's amendment would create a monstrous deficit.

Mr. GONZALEZ. Well, now, it is not true that Life magazine pays about 2.7 cents for the mailing of a magazine from New York to San Francisco?

Mr. DERWINSKI. Yes. The gentleman is correct. But he has his targets reversed. He ought to be zeroing in on the Life rate and not lowering the card rate to the Life rate. In other words, two wrongs do not make a right.

Mr. GONZALEZ. I agree that two wrongs do not make a right, but these are two wrongs and I want to reduce by one. I am saying Life magazine does get this rate and I do not believe that we should be depriving the average citizen from using a postal card for ordinary purposes of communication by giving him a higher rate.

Mr. DERWINSKI. The gentleman should have said "let us make a right out of Life" by increasing their rate and not lowering this rate.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. GONZALEZ).

The amendment was rejected.

Mr. McCLURE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take this time to enter into an exchange with the gentleman from Arizona (Mr. UDALL) concerning a matter on which we had an exchange earlier in the day, that is, with regard to the wage differential or area differential.

Some suggestion was made earlier today under rather restricted time limits that the area differential was by way of a wage base for the entire Nation with the area cost-of-living increases. Is that the understanding of the gentleman from Arizona?

Mr. UDALL. Yes. It is left to collective bargaining. What I anticipate will happen in the final analysis is collective bargaining will be done on a national wage rate which will be fixed and there will be designations of 10, 12, or 15 high-cost areas to give them an additional cost-of-living allowance of some kind.

Mr. WILLIAM D. FORD. Mr. Chairman, will the gentleman yield?

Mr. McCLURE. I yield to the gentleman from Michigan.

Mr. WILLIAM D. FORD. The differential for this kind of a plan for increasing the basic wage is that there would be two kinds of considerations taken into account in preparing that basic wage in high-wage areas.

One would be the cost of living approach, which the gentleman has already mentioned, the other would be consideration of the cost of labor in that labor market, and that is what we recognize now in the law in the section that authorizes the Civil Service Commission to increase wages where there is a finding that the Post Office is unable to hire needed employees because of a high-wage market.

Mr. McCLURE. Mr. Chairman, I thank the gentleman for his contribution, but I want to point out one possible inequity that will arise if you have two men in different areas of the country doing identical work, working for the same length of time, and then retiring, and then changing their place of residence.

You might have somebody in New York City who has been working there, and who wants to retire, and live in Bullhead, Ariz., and going to Bullhead, Ariz., and

living alongside a postal worker there who has done the same work for the same period of time, and who has a different pension rate based upon his earnings.

This is such a glaring inequity that I think Congress would be called upon to make some adjustment to it in the future. I will admit that this is something that can be taken care of in the collective-bargaining agreements under negotiations that set the basic wages in the first place, but I do think it is well that we have some written record of what our considerations were at the time we entered into this legislation.

Mr. THOMPSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. McCURE. I yield to the gentleman from Georgia.

Mr. THOMPSON of Georgia. Mr. Chairman, I would also like to ask this question, and that is when you originally proposed this area wage, you stated that cost of living is a factor. What about the standard of living? It may very well be that in certain areas of the country the cost of living is higher, but the standard of living is also higher.

Did you contemplate considering the fact that in some of your metropolitan areas, where higher wages are found, that the cost of living may be higher, but that part of that higher cost of living is because they are maintaining a higher standard of living such as, for example, having colored television sets in their homes as opposed to black and white sets in the rural areas.

Mr. WILLIAM D. FORD. If the gentleman will yield, the difference in television sets may be an item, but I would rather use the example of indoor plumbing versus outdoor plumbing; things of that sort. That is a good example, of course.

We do not have, to the best of my knowledge, a measure for the standard of living, but we do have clearly acceptable measures of the cost of living, and we can tell in any standard statistical metropolitan area of the country how that place stacks up with respect to the rest of the country as far as living costs are concerned, and that would constitute a factor. Whether people in that particular section go out each Saturday night, or whether they go out Friday and Saturday nights, or how they live would not be relevant consideration of that at all.

Mr. McCURE. Mr. Chairman, let me say in conclusion that indeed this colloquy underlines the difficulty at arriving at true equity in this kind of an adjustment, because we cannot write in law the exact limits by which equity is approached, and this will be done by the collective bargaining process.

MOTION OFFERED BY MR. DULSKI

Mr. DULSKI. Mr. Chairman, I move that all debate on section 102 of the committee amendment and all amendments thereto end at 8:10 p.m.

The motion was agreed to.

AMENDMENT OFFERED BY MR. HECHLER OF WEST VIRGINIA

Mr. HECHLER of West Virginia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HECHLER of West Virginia: Page 165, line 24, after "major mail users" insert "(including as major mail users mailers of moderate amounts of personal first class mail)".

Page 166, line 4, strike out "major postal users" and insert "such major mail users".

Mr. HECHLER of West Virginia. Mr. Chairman, the purpose of this amendment is to define "major mail users," as the phrase appears on page 165 of the bill in defining membership on the Advisory Council. The Advisory Council unfortunately is loaded to include an 8-to-3 majority against those who represent the public. What my amendment does is to recognize that major mail users does not necessarily represent third-class mailers. Since 56.5 percent of the total mail volume consists of first class mail, this is really the major form of mail. I have in mind by offering this amendment that the average person who moderate amounts of first-class mail deserves to be represented on this Advisory Council.

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

Mr. HECHLER of West Virginia. I yield to the gentleman from New York.

Mr. DULSKI. Mr. Chairman, I am very happy to accept the amendment on this side.

Mr. HECHLER of West Virginia. I thank the gentleman from New York.

The CHAIRMAN. The question is on the amendment offered by the gentleman from West Virginia (Mr. HECHLER).

The amendment was agreed to.

The CHAIRMAN. When the motion to limit debate was agreed to, the Chair had noted the names of Members standing and seeking recognition.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. DULSKI).

Mr. DULSKI. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. If there are no further amendments to section 102, the Clerk will read.

The Clerk read as follows:

LEGISLATIVE CONSTRUCTION

SEC. 103. An inference of a legislative construction is not to be drawn by reason of the chapter in title 39, United States Code, as set out in section 102 of this Act in which a section is placed nor by reason of the caption or catchline.

CROSS REFERENCE

SEC. 104. Whenever reference is made in another law to a law or part of law which was contained in title 39, United States Code, as it existed prior to the effective date of this section, it shall be considered to mean the appropriate section of title 39, United States Code, as revised by section 102 of this Act, unless no such section is included therein, and whenever reference is made in any other law to the Postmaster General or Post Office Department, the reference shall be considered to mean the Postmaster General and Postal Service provided for in this Act.

EFFECT OF REPEAL OF LAWS

SEC. 105. Provisions of title 39, United States Code, in effect immediately prior to the effective date of this section, but not enacted by this Act, shall remain in force as rules or regulations of the Post Office Department as reorganized by this Act, to the ex-

tent it is authorized to adopt such provisions as rules or regulations, until they are revoked, amended, or revised by the Postal Service.

OUTSTANDING ORDERS, RULES, AND REGULATIONS

SEC. 106. Orders, rules, and regulations in effect under provisions of law repealed, superseded, or amended by this title shall, to the extent they would have been authorized under this title, remain in force and effect as the regulations and orders under the provisions of this title and shall be administered and enforced under this title as nearly as may be until specifically repealed, amended, or revised by the Postal Service.

PRIVATE EXPRESS

SEC. 107. The Congress finds that the restrictions on the private carriage of letters and packets contained in chapter 14 of title 39, United States Code, and sections 1694-1696 of title 18, United States Code, are generally in the public interest, but that these sections need further study and evaluation in the light of changes in modern communications. The Postal Service shall submit to the President and the Congress within two years of the enactment of this Act a report and recommendation for the modernization of these provisions of law. In preparing this report the Commission on Postal Costs and Revenues is authorized to cause the Rate Board to conduct a rulemaking proceeding on the topic and to render an opinion to the Commission on whatever topics the Commission deems appropriate.

AMENDMENTS TO TITLE 18, UNITED STATES CODE

SEC. 108. Title 18, United States Code, is amended—

(1) by changing section 12 thereof to read as follows:

"§ 12. Postal Service defined

"The term 'Postal Service' and the term 'United States Postal Service', as used in this title, means the 'United States Postal Service' established by section 102 of title 39 and every employee thereof, whether or not he has taken the oath of office."

(2) by striking out "Post Office Department" in section 441 and inserting in lieu thereof "United States Postal Service";

(3) by amending the first two paragraphs of section 500 thereof to read as follows:

"Whoever, with intent to defraud, falsely makes, forges, counterfeits, engraves, or prints any order in imitation of or purporting to be a money order issued by the Post Office Department, or by the United States Postal Service, or by any postmaster or agent thereof; or

"Whoever forges or counterfeits the signature of any postmaster, assistant postmaster, chief clerk, or clerk, upon or to any money order, or postal note or blank therefor provided or issued by or under the direction of the Post Office Department of the United States, or of the United States Postal Service, or of any foreign country, and payable in the United States, or any material signature or indorsement thereon, or any material signature to any receipt or certificate of identification thereof; or"

(4) by amending the last three paragraphs of section 501 thereof to read as follows:

"Whoever makes or prints, or authorizes to be made or printed, any postage stamp, stamped envelope, or postal card, of the kind authorized and provided by the Post Office Department, or by the United States Postal Service, without the special authority and direction of said Department or Postal Service; or

"Whoever after such postage stamp, stamped envelope, or postal card has been printed, with intent to defraud, delivers the same to any person not authorized by an instrument in writing, duly executed under

the hand of the Postmaster General and the seal of the Post Office Department or the United States Postal Service, to receive it—

"Shall be fined not more than \$500 or imprisoned not more than five years, or both.";

(5) by striking out "Post Office Department" in section 612, and inserting in lieu thereof "United States Postal Service";

(6) by striking out "Post Office Department" in section 876, wherever appearing therein and inserting in lieu thereof "United States Postal Service";

(7) by striking out "Post Office Department of the United States" wherever appearing in section 877, and inserting in lieu thereof "United States Postal Service";

(8) by striking out "any postal inspector, any postmaster, officer, or employee in the field service of the Post Office Department," in section 1114, and inserting in lieu thereof "any postal inspector, any postmaster, officer, or employee in the field service of the United States Postal Service";

(9) by striking out "Post Office Department" in section 1341, and inserting in lieu thereof "United States Postal Service";

(10) by striking out "Post Office Department of the United States" in section 1342, and inserting in lieu thereof "United States Postal Service";

(11) by striking out "Postmaster General" in section 1463 and inserting in lieu thereof the "United States Postal Service";

(12) by striking out "section 500 of title 39" in section 1696 and inserting in lieu thereof "section 1401 of title 39";

(13) by striking out "Postmaster General" wherever appearing in section 1699 and inserting in lieu thereof "the United States Postal Service";

(14) by amending subsection (a) of section 1703 thereof to read as follows:

"(a) Whoever, being a postmaster or Postal Service employee, unlawfully detains, delays, or opens any letter, postal card, package, bag, or mail entrusted to him or which shall come into his possession, and which was intended to be conveyed by mail, or carried or delivered by any carrier or other employee of the Postal Service, or forwarded through or delivered from any post office or station thereof established by authority of the Postmaster General or the United States Postal Service; or secretes, or destroys any such letter, postal card, package, bag, or mail, shall be fined not more than \$500 or imprisoned not more than five years, or both.";

(15) by amending section 1704 thereof to read as follows:

"§ 1704. Keys or locks stolen or reproduced

"Whoever steals, purloins, embezzles, or obtains by false pretense any key suited to any lock adopted by the Post Office Department or the United States Postal Service and in use on any of the mails or bags thereof, or any key to any lock box, lock drawer, or other authorized receptacle for the deposit or delivery of mail matter; or

"Whoever knowingly and unlawfully makes, forges, or counterfeits any such key, or possesses any such mail lock or key with the intent unlawfully or improperly to use, sell, or otherwise dispose of the same, or to cause the same to be unlawfully or improperly used, sold, or otherwise disposed of; or

"Whoever, being engaged as a contractor or otherwise in the manufacture of any such mail lock or key, delivers any finished or unfinished lock or the interior part thereof or key, used or designed for use by the Post Office Department or the United States Postal Service to any person not duly authorized under the hand of the Postmaster General and the seal of the Post Office Department or the United States Postal Service, to receive the same, unless the person receiving it is the contractor for furnishing the same or engaged in the manufacture thereof in the manner authorized by the contract, or the agent of such manufacturer—

"Shall be fined not more than \$500 or imprisoned not more than ten years or both.";

(16) by amending section 1709 thereof to read as follows:

"§ 1709. Theft of mail matter by postmaster or employee

"Whoever, being a postmaster or Postal Service employee, embezzles any letter, postal card, package, bag, or mail or any article or thing contained therein entrusted to him or which comes into his possession intended to be conveyed by mail, or carried or delivered by any carrier, messenger, agent, or other person employed in any department of the Postal Service, or forwarded through or delivered from any post office or station thereof established by authority of the Postmaster General or the United States Postal Service; or steals, abstracts, or removes from any such letter, package, bag, or mail, any article or thing contained therein, shall be fined not more than \$2,000 or imprisoned not more than five years, or both.";

(17) by striking out "Post Office Department" in section 1711, and inserting in lieu thereof "United States Postal Service";

(18) by striking out "Postmaster General" wherever appearing in section 1711, and inserting in lieu thereof "Commission on Postal Costs and Revenues of the United States Postal Service";

(19) by striking out "Post Office Department" in section 1712 and inserting in lieu thereof "United States Postal Service";

(20) by striking out "Postmaster General" wherever appearing in section 1715 and inserting in lieu thereof "United States Postal Service";

(21) (A) by amending the second, third, and fourth paragraphs of section 1716 thereof to read as follows:

"The Postal Service may permit the transmission in the mails under such rules and regulations as it shall prescribe as to preparation and packing, of any such articles which are not outwardly or of their own force, dangerous or injurious to life, health, or property.

"The Postal Service is authorized and directed to permit the transmission in the mails, under regulations to be prescribed by it, of live scorpions, which are to be used for purposes of medical research or for the manufacture of anti-venom. Such regulations shall include such provisions with respect to the packaging of such live scorpions for transmission in the mails as the Postal Service deems necessary or desirable for the protection of Postal Service personnel and of the public generally and for ease of handling by such personnel and by any individual connected with such research or manufacture. Nothing contained in this paragraph shall be construed to authorize the transmission in the mails of live scorpions by means of aircraft engaged in the carriage of passengers for compensation or hire.

"The transmission in the mails of poisonous drugs and medicines may be limited by the Postal Service to shipment of such articles from the manufacturer thereof or dealer therein to licensed physicians, surgeons, dentists, pharmacists, druggists, cosmetologists, barbers, and veterinarians under such rules and regulations as it shall prescribe.";

(B) by striking out "Postmaster General" wherever else appearing in section 1716 thereof and inserting in lieu thereof "Postal Service";

(22) by striking out "Postmaster General" in section 1718 and inserting in lieu thereof "Postal Service";

(23) by striking out "Post Office Department" wherever appearing in section 1721 and inserting in lieu thereof "United States Postal Service";

(24) by striking out "Post Office Department" in section 1722 and inserting in lieu thereof "United States Postal Service";

(25) by striking out "the Postmaster General" in section 1723 and inserting in lieu thereof "a duly authorized officer of the Postal Service";

(26) by amending section 1724 thereof to read as follows:

"§ 1724. Postage on mail delivered by foreign vessels

"Except as otherwise provided by treaty or convention the Postal Service may require the transportation by any steamship of mail between the United States and any foreign port at the compensation fixed under authority of law. Upon refusal by the master or the commander of such steamship or vessel to accept the mail, when tendered by the Postal Service or its representative, the collector or other officer of the port empowered to grant clearance, on notice of the refusal aforesaid, shall withhold clearance, until the collector or other officer of the port is informed by the Postal Service or its representative that the master or commander of the steamship or vessel has accepted the mail or that conveyance by his steamship or vessel is no longer required by the Postal Service";

(27) by striking out "Postmaster General" in section 1725 and inserting in lieu thereof "Postal Service";

(28) by striking out "Postmaster General" in section 1729 and inserting in lieu thereof "Postal Service";

(29) by striking out "Postmaster General" in section 1730 and inserting in lieu thereof "Postal Service";

(30) (A) by amending section 1733 to read as follows:

"§ 1733. Mailing periodical publications without prepayment of postage

"Whoever, except as permitted by law, knowingly mails any periodical publication without the payment of postage, or being a postmaster or postal official knowingly permits any periodical publication to be mailed without prepayment of postage, shall be fined not more than \$1,000, or imprisoned not more than one year, or both.";

(B) by amending the table of contents of chapter 83 by striking out—

"1733. Affidavits relating to second-class mail."

and inserting in lieu thereof—

"1733. Mailing periodical publications without prepayment of postage";

and

(31) by striking out in section 3061, "Postmaster General" and inserting in lieu thereof "Postal Service".

MISCELLANEOUS AMENDMENTS

SEC. 109. (a) Section 225(f) of the Act of December 16, 1967 (81 Stat. 643; 2 U.S.C. 356), is amended (1) by striking out the word "and" at the end of paragraph (C), (2) by striking out the period at the end of paragraph (D) and inserting in lieu thereof "; and", and (3) by adding following paragraph (D) a new paragraph (E) as follows:

"(E) the members of the Commission on Postal Costs and Revenues appointed pursuant to section 108(b) of title 39, United States Code."

(b) Subsection (d)(1) of section 19 of title 3, United States Code, is amended by striking out "Postmaster General."

(c) Section 101 of title 5, United States Code, is amended by striking out "The Post Office Department."

(d) (1) Paragraph seventh of section 5136 of the Revised Statutes, as amended (12 U.S.C. 24 seventh), is further amended by inserting "or by the Postal Service" after "nor to bonds, notes, and other obligations issued by the Tennessee Valley Authority".

(2) Section 602(c) of the Act of August 7, 1956 (70 Stat. 1113), as amended (12 U.S.C. 1701d-3(c)) is amended by striking out "section 306 of the Penalty Mail Act of 1948 (39 U.S.C. 321n)" and inserting in lieu thereof "section 654 of title 39, United States Code".

(3) Section 301(a) of the Housing Act of

1948 (63 Stat. 431), as amended (12 U.S.C. 1701e(a)) is amended by striking out "39 United States Code 321n" and inserting in lieu thereof "39 United States Code 654".

(e) Section 8(b) of the Small Business Act, as amended by section 107 of the Act of October 11, 1967 (81 Stat. 269; 15 U.S.C. 637(b)(15)) is further amended by striking out "section 4154 of title 39, United States Code" which appears in paragraph 15 and inserting in lieu thereof "section 654 of title 39, United States Code".

(f) Section 2(f) of the Act of May 28, 1963 (77 Stat. 50; 16 U.S.C. 4601-1(f)), is amended by striking out "section 4154, title 39, United States Code", and inserting in lieu thereof "section 654 of title 39, United States Code".

(g) Section 8 of title 17, United States Code, is amended—

(1) by striking out "Postmaster General" and inserting in lieu thereof "Postal Service"; and

(2) by striking out "section 2506 of title 39" and inserting in lieu thereof "section 1610 of title 39".

(h) Section 1(d) of the Act of June 8, 1938 (52 Stat. 631), as amended (56 Stat. 250; 22 U.S.C. 611(d)), is further amended by striking out "file with the Postmaster General a sworn statement in compliance with section 2 of the Act of August 24, 1912 (37 Stat. 553), as amended", and inserting in lieu thereof, "file with the Postal Service information in compliance with section 1609 of title 39, United States Code".

(i) (1) Section 2341(3) of title 28, United States Code, is amended by striking out paragraphs (B) and (C) and inserting in lieu thereof the following:

"(B) the Secretary when the order was entered by the Secretary of Agriculture;

"(C) the Administration, when the order was entered by the Maritime Administration; and

"(D) the Postal Service when the order was a decision rendered by the Postal Service."

(2) Section 2342 of title 28, United States Code, is amended by striking out subsections (3) and (4) and inserting in lieu thereof:

"(3) such final orders of the Federal Maritime Commission or the Maritime Administration entered under chapters 23 and 23A of title 46 as are subject to judicial review under section 830 of title 46;

"(4) all final orders of the Atomic Energy Commission made reviewable by section 2239 of title 42; and

"(5) all final decisions of the Postal Service made reviewable by section 1257 of title 39."

(j) (1) The sixth subdivision of section 7 of the Act of July 31, 1894 (28 Stat. 206; 31 U.S.C. 72 Fifth), and the second proviso of section 10 of the Act of August 24, 1912 (37 Stat. 559; 31 U.S.C. 72 Fifth), are repealed.

(2) Section 1 of the Act of March 6, 1946 (60 Stat. 31), as amended (31 U.S.C. 129), is further amended by inserting after "Postmaster General," the following: "the Postal Service."

(3) Section 1302 of the Act of July 27, 1956, as amended (31 U.S.C. 724a), is further amended by adding the following sentence thereto: "Notwithstanding the other provisions of this section judgments against the United States arising out of activities of the Postal Service shall be paid by the Postal Service out of any funds available to it."

(4) Section 1 of the Act of September 30, 1890 (26 Stat. 511; 31 U.S.C. 1028) is hereby repealed.

(k) (1) Section 411(f) of the Public Buildings Act of 1949, as amended (68 Stat. 520; 40 U.S.C. 356(f)) is further amended by striking out in the third proviso "section 205 of the Post Office Department Property Act of 1954" and inserting in lieu thereof "section 1003 of title 39, United States Code".

(2) Item (15) of section 602(d) of the Act of June 30, 1949 (63 Stat. 401), as amended (40 U.S.C. 474 (15)) is further amended to read as follows:

"(15) The Postal Service;"

(3) Section 16 of the Act of September 9, 1959 (73 Stat. 483; 40 U.S.C. 615) is amended to read as follows:

"Sec. 16. Nothing in this Act shall be construed to limit or repeal—

"(1) existing authorizations for the leasing of buildings by and for the General Services Administration, or

"(2) the authority conferred by law on the Postal Service."

(4) The third proviso of section 3 of the Act of August 10, 1939 (50 Stat. 479), as amended (40 U.S.C. 723) is further amended by striking out "insofar as such loss, destruction, or damage may be adjusted by the Postmaster General under the provisions of the Act of March 17, 1882, as amended (U.S.C. 1934 edition, title 39, sec. 49)", and inserting in lieu thereof the following: "insofar as such loss, destruction or damage relates to property of the Postal Service chargeable to its officers or employees".

(5) Section 3a of the Government Losses in Shipment Act as added by section 2 of the Act of August 10, 1939 (53 Stat. 1358; 40 U.S.C. 724), is amended (A) by striking out the colon immediately preceding the proviso and inserting a period in lieu thereof; and (B) by striking out the proviso.

(l) Section 602(i) of the Act of August 20, 1964 (78 Stat. 529; 42 U.S.C. 2942(i)), is amended by striking out "section 4154 of title 39, United States Code" and inserting in lieu thereof "section 654 of title 39, United States Code".

(m) Section 405(i) of the Act of August 23, 1958 (72 Stat. 762; 49 U.S.C. 1375(i)), is hereby repealed.

SEPARABILITY OF PROVISIONS

SEC. 110. If a part of title 39, United States Code, as revised by section 102 of this Act is held invalid, the remainder of the title shall not be affected thereby; and if any other part of this Act is held to be invalid the remainder of the Act shall not be affected thereby.

TRANSITIONAL EXPENSES

SEC. 111. Expenses of the United States Postal Service as established by section 102 of this Act from the date of enactment of this Act until the date of commencement of operations of the Postal Service, shall be deemed to be necessary expenses of the administration of the Post Office Department as now constituted.

APPOINTMENT OF POSTMASTERS AND OTHER EMPLOYEES ON MERIT BASIS

SEC. 112. (a) Between the date of enactment of this Act and the effective date of section 102 of this Act, the Postmaster General shall appoint postmasters at offices of all classes in the competitive civil service by one of the three following methods which shall be applied in the following order of precedence:

(1) by selection of a qualified employee serving at the post office where the vacancy occurs, including an acting postmaster who was serving on January 1, 1969, who shall acquire a competitive status upon being appointed postmaster;

(2) if no qualified employee serving at the post office where the vacancy occurs is available for, and willing to accept, appointment by method described in subparagraph (1), by selection of a qualified employee serving in the postal field service; or

(3) if no qualified employee is available for, and willing to accept, appointment by the methods described in subparagraph (1) or (2), by competitive examination in accordance with the provisions of title 5, United States Code, governing appointments in the competitive service.

Enactment of this subsection shall not affect the status or tenure of postmasters in office on the date of enactment of this Act.

(b) (1) In the selection, appointment, and promotion of employees of the Postal Service between the date of enactment of this Act and the effective date of section 102 of this Act, no political test or qualification shall be permitted or given consideration, and all such personnel actions shall be taken on the basis of merit and fitness. Any officer or employee of the Postal Service who violates this subsection shall be removed from office or otherwise disciplined in accordance with procedures for disciplinary action established pursuant to law.

(2) This subsection does not apply to the selection and appointment of officers whose appointment is vested in the President, by and with the advice and consent of the Senate, or to the selection, appointment, or promotion to a position designated by the Civil Service Commission as a position of a confidential or policy-determining character or as a position to be filled by a noncareer executive assignment.

SUPPLEMENTAL LEGISLATION

SEC. 113. It is the intent of the Congress that further legislation be enacted prior to the date of commencement of operations by the Postal Service as established by this Act, giving additional guidance to the Postal Service concerning the division of costs among the several classes of mail consistent with the provisions of this title.

EFFECTIVE DATES

SEC. 114. This section and sections 110 through 113 of this Act, and sections 108-110 of title 39, United States Code, as enacted by section 102 of this Act shall become effective on the date of enactment of this Act. Except as otherwise provided in this title, the other provisions of this title shall become effective on the date of the commencement of operations of the Postal Service as established by section 102 of this Act. The date of commencement of operations shall be fixed by the Commission on Postal Costs and Revenues and published by it in the Federal Register; such date shall be within one year after the enactment of this section.

TITLE II—SALARY ADJUSTMENT

COMPENSATION CHANGES

SEC. 201. (a) The Postmaster General, under regulations made by him, shall increase the rates of basic compensation and basic pay of employees of the Post Office Department so that such rates will equal, as nearly as practicable, 108 per centum of the rates of basic compensation and basic pay in effect immediately prior to the date of enactment of this Act. Such increases shall take effect on the first day of the first pay period which begins on or after April 16, 1970. This section does not apply to employees in positions in the Executive Schedule.

(b) Retroactive pay, compensation, or salary shall be paid by reason of this Act only in the case of an individual in the service of the United States (including service in the Armed Forces of the United States) on the date of enactment of this Act, except that such retroactive pay, compensation, or salary shall be paid—

(1) to an officer or employee who retired, during the period beginning on the first day of the first pay period which began on or after April 16, 1970, and ending on the date of enactment of this Act, for services rendered during such period; and

(2) in accordance with subchapter VIII of chapter 55 of title 5, United States Code, relating to settlement of accounts, for services rendered, during the period beginning on the first day of the first pay period which began on or after April 16, 1970, and ending on the date of enactment of this Act, by an officer or employee who died during such period.

Such retroactive pay, compensation, or salary shall not be considered as basic pay for the purposes of subchapter III of chapter 83 of title 5, United States Code, relating to civil service retirement, or any other retirement law or retirement system, in the case of any such retired or deceased officer or employee.

(c) For the purposes of this section, service in the Armed Forces of the United States, in the case of an individual relieved from training and service in the Armed Forces of the United States or discharged from hospitalization following such training and service, shall include the period provided by law for the mandatory restoration of such individual to a position in or under the United States Government.

(d) For purposes of determining the amount of insurance for which an individual is eligible under chapter 87 of title 5, United States Code, relating to group life insurance for Government employees, all changes in rates of pay, compensation, and salary which result from the enactment of this section shall be held and considered to become effective as of the date of such enactment.

TRANSITIONAL COLLECTIVE BARGAINING

SEC. 202. (a) As soon as practicable after the enactment of this Act, the Postmaster General and the labor organizations that as of the effective date of this section hold national exclusive recognition rights granted by the Post Office Department, shall negotiate an agreement or agreements covering wages, hours, and working conditions of the employees represented by such labor organizations. The parties shall commence bargaining for such agreement or agreements not later than thirty days following delivery of a written request therefor by a labor organization to the Postmaster General or by the Postmaster General to a labor organization. Any agreement made pursuant to this section shall continue in force after the commencement of operations of the United States Postal Service in the same manner and to the same extent as if entered into between the Postal Service and recognized collective bargaining representatives pursuant to subchapter II of chapter 2 of title 39.

(b) Any agreement negotiated pursuant to this section shall establish a new wage schedule whereunder postal employees will reach the maximum pay step for their respective labor grades after not more than eight years of satisfactory service in such grades. The agreements shall provide that where an employee had sufficient satisfactory service in the pay step he occupied on the effective date of this section to have qualified for advancement to the next highest pay step under the new wage schedule, had such schedule been in effect throughout the period of such service, the employee shall be advanced to such next highest pay step in the new schedule on the effective date of the new schedule.

(c) An agreement made pursuant to this section may become effective at any time after the commencement of bargaining, in accordance with the terms thereof. The Postmaster General shall establish wages, hours, and working conditions in accordance with the terms of any agreement or agreements made pursuant to this section notwithstanding the provisions of any law other than title 39.

(d) If the parties fail to reach agreement within ninety days of the commencement of collective bargaining, a factfinding panel will be established in accordance with the terms of section 228(b) of title 39, unless the parties have previously agreed to another procedure for a binding resolution of their differences. If the parties fail to reach agreement within one hundred and eighty days of the commencement of collective bargaining, and if they have not agreed to another pro-

cedure for binding resolution, an arbitration board shall be established to provide conclusive and binding arbitration in accordance with the terms of section 228(c) of title 39.

(e) Agreements made pursuant to this section and expenditures made under such agreements shall not be subject to the provision of R.S. 3679, as amended (31 U.S.C. 665).

(f) For the purposes of this section only, "Title 39" means Title 39 of the United States Code as revised and reenacted by section 102 of this Act.

EFFECTIVE DATE

SEC. 203. The provisions of this title shall become effective upon enactment of this Act.

Mr. DULSKI (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of the committee amendment beginning on page 293, line 5, 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 New York?

There was no objection.

AMENDMENT OFFERED BY MR. UDALL

Mr. UDALL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. UDALL: Strike out all of lines 6 through 17 on page 312 and insert in lieu thereof:

"SEC. 114. This section and sections 110 through 113 of this Act, and sections 108-110 and section 1251 of title 39, United States Code, as enacted by section 102 of this Act shall become effective on the date of enactment of this Act. Except as otherwise provided in this title, the other provisions of this title (including the provisions of title 39, United States Code, as enacted by section 102 of this Act) shall become effective within one year after the enactment of this Act on the date or dates established therefor by the Commission on Postal Costs and Revenues and published by it in the Federal Register."

Mr. UDALL (during the reading). Mr. Chairman, I ask unanimous consent that the reading of the amendment be dispensed with and that it be printed in the RECORD.

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

There was no objection.

Mr. UDALL. Mr. Chairman, the schedule will be, if this bill passes and becomes law, for the President to appoint the commissioners and at some point within the year when they are ready, they will issue a proclamation and the new establishment will go into effect.

This amendment was cleared with the chairman of the committee and simply enables the President to also appoint at some time before they actually go into operation a Postal Rate Board. This is done so that they may get a staff up, hold preliminary hearings, and be ready to go on time.

I do not think there is any objection to the amendment.

Mr. HENDERSON. I think the amendment ought to be adopted. It is very necessary for the institution of and getting a new system underway.

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

Mr. UDALL. I yield to the gentleman.

Mr. DULSKI. I understand this amendment makes no major change in the timetable for commencing operations of the new Postal Establishment. It simply permits the President to make all the major appointments to the Postal Rate Board far enough in advance of commencing operations so that they can do all the necessary preliminary work.

I see no reason to object to the amendment and am pleased to accept it.

The CHAIRMAN. For what purpose does the gentleman from Illinois (Mr. DERWINSKI) rise?

Mr. DERWINSKI. Mr. Chairman, we support the amendment on this side.

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

Mr. UDALL. I yield to the gentleman.

Mr. JONAS. Since we are on this point, and I intended to take my own 5 minutes if I could be recognized to ask the committee members as to the economic effect of this bill which incorporates a pay increase but that does not carry concurrently with it an increase in revenues. How long does the committee anticipate it will be before increased revenues will be received to make up for the increased costs imposed in this legislation?

Mr. UDALL. The President has sent up a rate bill to the Congress asking for an 8-cent stamp. We discussed this yesterday during the debate. I made the point that the President had sent up this message asking for, oh I guess, a billion dollars worth of new revenue in this rate measure and not a single Member of the 435 Members could be found in this even numbered year to even introduce a bill.

I think most of us on the committee, however, have been waiting to see what happens to postal reform and to see whether there is going to be a pay raise.

The gentleman from Montana (Mr. OLSEN) held extensive hearings on rates and our committee is ready to move and carry out our responsibilities as soon as we see what the House and Senate are going to do on reform.

Mr. JONAS. If the gentleman will permit me, I am trying to get the committee to give the Committee of the Whole now sitting, its best estimate as to when increased revenues from any rate adjustments will catch up with the increased costs.

I understand that the increased costs in this bill over a period of 1 year will be about \$1 billion. Is that correct?

Mr. UDALL. No, the actual pay raises carried in this bill would result in just under \$500 million on an annual basis. When the compression goes into effect, there will be other increases. And we passed a 6-percent pay raise in April, which most of us voted for.

Mr. JONAS. I am not trying to fix any blame by discussing who voted for what. I am trying to get an estimate from the committee as to when is the earliest possible time increased revenues will catch up with the increased costs that this bill will bring about if it is passed.

Mr. UDALL. I have discharged my responsibilities, but I cannot speak for the chairman or any other member of the committee.

Mr. JONAS. Can anyone give me an estimate? The committee must have considered that point.

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

Mr. UDALL. I yield to the Chairman.

Mr. DULSKI. The administration sent over a message on the subject, but no Member introduced legislation. The gentleman in the well wants me to answer when we will consider the subject. We have had extensive hearings on the proposal even though the bill was not introduced. The subcommittee chairman, Mr. OLSEN has been working. How can we count what the entire cost will be when this new agency does not go into effect for over a year?

We are ready to work further on rates as soon as we get a bill.

Mr. JONAS. We do not have to wait on the President to send up a bill, do we? Why does not the committee bring a bill out? I am just trying to get some estimate as to what the economic effect of this bill will be. I assumed the committee would have at least an estimate as to when the new ratemaking procedures set up in this bill may be expected to produce sufficient revenue to catch up with the new costs created by the bill.

Mr. UDALL. I feel sure that, if both Houses act expeditiously, we should get some interim financing during 1971.

In addition, we have some supplemental appropriations in this bill which will help out in the program Mr. JONAS asks about.

The CHAIRMAN. The time of the gentleman from Arizona has expired.

Mr. JONAS. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN. The gentleman from North Carolina is recognized for 5 minutes.

Mr. JONAS. We estimate in the Committee on Appropriations that the postal deficit next year may be \$2.5 billion. Part of that will be caused by the built-in cost increases in this bill. Before we get to a final vote on the bill, I would like to have the best estimate that anyone on the committee can make as to when we will catch up with the increased costs that are brought about as a result of this bill if it is enacted.

Mr. SAYLOR. The answer to that question is "Never."

Mr. JONAS. The only answer I get, and not from a member of the committee, is "Never."

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

Mr. JONAS. I yield to the gentleman from Illinois.

Mr. DERWINSKI. I wish to advise the gentleman that he is absolutely correct when he points to the problem, but he should keep in mind that in one of his final messages to Congress, President Johnson recommended a rate increase. It has not been acted upon, and neither has the one recommended to Congress by President Nixon. I would presume, if I do not misinterpret Chairman DULSKI, that once we get through this reform bill, we could turn our attention to the rate question. Certainly we could move much faster than the year and a half it took us to produce this reform bill. Otherwise,

the machinery of this reform bill will go to work and match rates to expenses. The new Postal Service will be self-financing.

Mr. JONAS. I would like to say, without blaming anyone, that I, for one, wish the committee had incorporated in this reorganization and reform bill the necessary authority to assure that revenues will be increased sufficiently to cover the increased costs built into the postal operations by this bill.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

The question is on the amendment offered by the gentleman from Arizona (Mr. UDALL).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. SAYLOR

Mr. SAYLOR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SAYLOR: On page 310, beginning with line 4, strike out all of the language to and including line 22 on page 311, and renumber the succeeding sections accordingly.

Mr. SAYLOR. Mr. Chairman, I would like to have the people on my right pay a little attention to this amendment because this is the only political amendment that has been offered here today, but this is a political amendment.

Mr. SAYLOR. Mr. Chairman, I would like to have the people on my right pay a little attention to this amendment, because this is the only political amendment that has ever been offered here today, and this is a political amendment, and I do not make any excuses for offering it.

From the time we have had a post office—and Ben Franklin established it—the party that controlled the White House controlled appointment of the postmasters. That was until January of last year, when the present administration took over and we got a Postmaster General who comes from down in Alabama. I call him the Trojan horse in our administration, because he changed the entire setup. What he did was to say his party in the White House had absolutely nothing to do with appointing postmasters.

This bill even gives that man who is now the Postmaster General another goodie. What does it do? It says until this Corporation comes into effect, the Postmaster General has the right to appoint 4,000 postmasters all over the country. All I am trying to do is say he does not have that right. He will not give that right to the members of the Republican Party. Maybe he will give it to the Democratic Members of Congress if this amendment is adopted.

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

Mr. SAYLOR. I yield to the gentleman from Ohio.

Mr. HAYS. Mr. Chairman, I am sympathetic with the gentleman's amendment, but this gentleman has been Postmaster General for a long time, and I understand there are 3,000 vacancies and he has not appointed anybody.

Mr. SAYLOR. That is right, and he has not appointed anybody. All I am trying

to say by this amendment that I am not going to give him the right to appoint anybody. I do not think he should.

Mr. HAYS. I think the gentleman will get pretty solid support on this side of the aisle.

Mr. SAYLOR. That is all I am asking for, because I doubt if I will get much support on my side of the aisle.

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

Mr. SAYLOR. I yield to the gentleman from Illinois.

Mr. DERWINSKI. Mr. Chairman, I want to advise the gentleman the latest cloakroom rumor is that after our dear Democratic friends have their battle for party leadership next January, the loser may get the post of Postmaster General.

Mr. SAYLOR. That may be, and I daresay he will treat we Republican Members of Congress a great deal better than the present Postmaster General.

Mr. UDALL. Mr. Chairman, I rise in opposition to the amendment.

The gentleman from Pennsylvania is an old friend of mine and I bleed for him. I would like to get him some patronage, but I do not have that much influence. I do not know what I can do about it, but I will bleed for him and sympathize with him a little bit.

Let me say to some of my friends on the Democratic side, before we vote—because there was a great deal of laughter, and I thought a murmur of support for this amendment—what the gentleman strikes out is an amendment offered by the gentleman from New Jersey (Mr. DANIELS). The thrust of the amendment which is in the bill and was authored by the gentleman from New Jersey (Mr. DANIELS), was to make sure the interim acting postmasters who were still in the office could be considered for these appointments by the Postmaster General along with career employees in those offices. Make no mistake about it, we make a big mistake if we vote for this amendment.

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

Mr. UDALL. I yield to the gentleman from Arizona.

Mr. HAYS. Mr. Chairman, did I understand the gentleman to say he could consider them?

Mr. UDALL. Yes.

Mr. HAYS. Does the gentleman think he will consider them?

Mr. UDALL. I do not think he will.

Mr. HAYS. The gentleman is pretty close to him, and the gentleman ought to know.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. SAYLOR).

The question was taken; and on a division (demanded by Mr. SAYLOR) there were—ayes 51, noes 95.

So the amendment was rejected.

Mr. VANIK. Mr. Chairman, the Postal Reorganization and Salary Adjustment Act of 1970 constitutes a much-needed reform of a post office which now operates under many archaic and unduly restrictive rules. But as we speak of the need of greater efficiency of operation in the postal system, it is quite distressing to find that earlier this year the

Post Office Department introduced a new cost-accounting report that is unusually vague and confusing. For the first time, the Post Office, in trying to determine how much it costs to move each class of mail, used a new "revenue and cost analysis system" that managed to completely juggle the postal records. The most shocking finding of the new system reveals that for fiscal year 1969, bulk third-class mail, always a big money-loser for the Post Office, brought the Post Office \$595 million—4 cents an item—but only cost the office \$299 million—2 cents an item—in variable expenses. However, under the old system—"cost ascertainment"—a long-respected and efficient analysis system, calculations for fiscal 1968 revealed that expenses for bulk mail totaled \$822 million and yet revenue was \$596 million for bulk mail. Thus third-class mail did not cover its costs. With such a remarkable discrepancy between the findings of the two systems, I can only wonder if the new revenue and cost analysis system is giving us a truly accurate portrayal.

In May 1970, Chief Justice Warren Burger remarked that—

Today's merchandising methods, the plethora of mass mailing subsidized by low postal rates, and the growth of the sale of large mailing lists . . . have changed the mailman from a carrier of primarily private communications and has made him an adjunct of the mass mailer who sends unsolicited and often unwanted mail into every home. Every person's mail today is made up overwhelmingly of material he did not seek from persons he does not know.

A large portion of third-class mail is commonly known as junk mail and has become a nuisance to many patrons. I find it difficult to characterize this largely unwanted mail as a public service.

Before we force the burdened taxpayer, or the Federal Government to continue paying for postal deficiencies through taxation or subsidies, the Nation deserves a more trustworthy and accurate accounting of the new revenue and cost-analysis system of the U.S. Post Office. According to an article concerning this new system, dated April 13, 1970, in the Wall Street Journal, postal officials "note that the variable cost data is based on a sophisticated statistical sampling system new to the Post Office," and it continues that officials "concede there may be room for improvement." Mr. Chairman, the Nation deserves to know immediately just how much improvement really is needed.

Reforms are needed. Postal pay is inadequate and must be related to the cost of living and comparability. Certain postal rates are far out of line and constitute too grave a burden on the general mail user.

I have grave concern over the establishment of separate corporate entities to carry on the public business and to exercise an important public trust. This may result in the establishment of multiple barriers between the public and the service. My fear is that this new juggernaut of administration may provide no better service at a substantially higher cost to the taxpayer. I hope I am wrong in these fears.

Mr. JONES of Tennessee. Mr. Chairman, the action of this body yesterday in passing the Henderson amendment to the Postal Reorganization Act of 1970 reaffirms my faith in the ultimate desire of Americans to maintain their personal freedom. Mr. Henderson's amendment assures that no American will be forced to join an organization and pay its dues against his will in order to be employed by his own Government.

The question raised by this amendment did not concern the desirability of labor union membership. Certainly, no one can deny that organized labor is responsible in large measure for the enormous elevation of our nation's standard of living during this century. The question that was raised by the amendment was whether or not we intend to preserve our personal freedom in this country.

By passing the amendment offered by the gentleman from North Carolina, this body has affirmed that Americans do have the right to work for their National Government while retaining their right either to join or not to join a labor organization. This action, Mr. Chairman, is a blow for personal freedom.

Mr. LANDGREBE. Mr. Chairman, I want to take this opportunity to comment on the current postal reorganization bill, H.R. 17070, now before us and to express my reasons for voting against it.

First, is the fact that the bill will destroy the traditional public service aspect of the post office, and thereby will make it unresponsive to the public will. The Congress, acting on behalf of the American people will thus lose control over the operations of this "public" institution, but in the end will be stuck with the bill for any deficits it will incur. In other words, the Congress with passage of the so-called postal reform, having relinquished all control of our Post Office Department, will be left with full responsibility for its success or for its failure. It is certain that postal rates will be increased considerably, that many current postal services will be discontinued, and, of course, nothing has been said about specific plans or goals for improved services and the true fate of postal employees now sheltered by the U.S. Civil Service Code is clouded, to say the least.

My most serious objection to this bill, however, is the additional obligation of our Federal Government to the tune of \$10 billion to finance the construction of new post offices, new equipment, and for operating capital. In the end, it is the public who will be paying for this financing, not only through even higher postal rates, but also through a greater tax bite to provide the increased subsidies that appear to me to be imminent. In other words, I consider this to be a back-door method for increasing our national debt by \$10 billion.

I continue to feel that true postal reform is possible within our present postal system. The true reform that I have in mind could be brought about through efficient management techniques and hiring practices, discouragement of junk mail through rate increases, total elimination of porno-

graphic materials, and, generally, the establishment in the postal service of more efficient and businesslike methods and practices.

In conclusion, might I simply state that anyone who thinks that passage of H.R. 17070 removes our postal department from politics is totally out of touch with reality.

Mr. HAMILTON. Mr. Chairman, 2 years ago, the Kappel Commission on Postal Organization noted that—

The postal service cannot keep pace with the demands of our society unless it is given a basic change in direction.

The Commission continued, commenting that—

The benefits which would flow from the introduction of modern management practices include not only greatly improved mail service but the early elimination of the postal deficit and far better career opportunities and working conditions for the individual postal employee.

These benefits can be realized by enacting the current postal reform legislation before the House.

The reasons for my dissatisfaction with the present postal system are several in number. For one thing, I think the state of postal finances is depressing. There have only been 17 years since 1838 that revenues have exceeded expenditures. In fiscal year 1969, the accrued cost deficit for the Post Office Department was \$1.023 billion.

Postal employment practices are another reason that causes me to be dissatisfied with the postal system as it is. The employee cannot earn a promotion on the basis of merit. His training opportunities are limited. He is trapped in a system which stifles his initiative and limits career opportunities. It is really astonishing to learn that 80 percent of the postal employees finish their careers in the same level in which they began their service.

I am not satisfied with the quality of postal service. I think every Member of Congress is familiar with his constituents' discontent on the quality of postal service.

I also believe that the postal system and service cost too much money. One of the findings of the Kappel Commission is that an estimated 20 percent of postal costs could be saved if postal management were really free to plan and finance operations and investments in accordance with needs.

I draw the same conclusions from these observations as do many of my colleagues. I believe basic flaws exist in the postal system. Stopgap measures to correct those flaws have been tried and found wanting and the major restructuring of the system is the only viable course. We ought to recognize the essential business nature of the postal system, and that it ought to be operated as a business and not as a Government agency.

The principal failure of the present system is one of management. It is just not reasonable to expect a manager of the Post Office Department to succeed in his task when he has little, if any, control over workload, revenue, pay rates, conditions of service, physical facilities, and many other important matters. I do

not think substantial improvement in the postal system can be expected until postal managers are given the authority and the freedom of action they need to make the necessary changes.

In addition to the management problem, there are two other central defects: the postal system is tied too closely to the Federal budgetary process and cannot be operated like a business; politics are too deeply ingrained in the selection of postal officials, especially top management, postmasters, and rural carriers.

So long as the Post Office Department depends upon the Treasury it has to compete with other national priorities. The postal needs for capital financing and operations are going to rank low on the scale of national priorities, and I do not think it unreasonable to expect this low priority status to remain unchanged in the foreseeable future, given the kinds of challenges that we have in the Nation both at home and abroad.

The dependence on the Treasury has also decreased the incentive to be concerned about consumer and customer wants, and there is no economic incentive for postal officials to tailor their services to customer desires.

So long as partisan politics determine promotions for top management, postmasters, and rural carriers, a meritocracy in the postal service is difficult to achieve. Politically appointed personnel often will not have the respect of their peers and subordinates. There will be delays in the selection of top positions, a lack of confidence on the part of the public, and poor morale on the part of employees.

Because of the existence of these and other flaws in the operation of our present postal system, I am anxious for Congress to act affirmatively on the Postal Reorganization Act now before it. The bill provides for genuine postal reform—no stopgap measure this time. Its enactment into law will be of considerable benefit to employees and customers alike. Provisions of the bill include these:

First. The Post Office Department is abolished as a Cabinet-level Department. In its stead is created an independent establishment of the executive branch of the Government to own and operate the Nation's postal system, known as the U.S. Postal Service.

Second. The Postal Service is governed by an 11-man Commission on Postal Costs and Revenues: nine "public members" appointed by the President—with Senate confirmation with rotating 9-year terms; the 10th appointed as Postmaster General by the nine Presidentially appointed Commissioners; the 11th appointed as Deputy Postmaster General by the other 10.

Third. Officers and employees of the Postal Service will be in the postal career service and the Postal Service is required to establish procedures to assure its employees of meaningful opportunities for promotion and career development and of opportunity to be heard before adverse action is taken against them.

Fourth. Postal consideration, in respect to any appointment, promotion, assignment, transfer, or designation that relates to any office or position in the

Postal Service, is prohibited. A person under consideration for such an appointment is also barred from soliciting any such recommendation.

Fifth. Labor-management relations are generally made subject to the National Labor Relations Act, as amended, which heretofore has applied only to the private sector. There is one principal exception, however: the existing ban on strikes by Federal employees is carried forward, and, consequently, binding arbitration is provided for in the event of a bargaining impasse between the parties.

Sixth. Section 14(b) of the National Labor Relations Act would, naturally, apply to labor-management relations in the postal service. This section states that—

Nothing in this subchapter shall be construed as authorizing the execution or application of agreements requiring membership in a labor organization as a condition of employment in any State or Territory in which such execution or application is prohibited by State or Territorial law.

Seventh. The Postal Service is authorized to borrow money and issue obligations up to \$10 billion, but the net increase in any obligations for capital improvements may not exceed \$1.5 billion in any 1 fiscal year and the net increase for the purpose of defraying operating expenses shall not exceed \$500 million.

Eighth. The Postal Service is to become self-sustaining, thus eliminating the postal deficit, by January 1, 1978. Rates are to be set so that each class of service pays at least its own identifiable costs and so that revenues of the postal service as a whole meet its expenses.

Ninth. Rate changes that are significant service changes are initiated by postal management but cannot become effective until after public notice and hearing before a three-man Rate Board, which is independent of postal management.

Tenth. Collective bargaining must commence promptly after enactment of the bill into law, and must deal with wages, hours, and working conditions. Any resulting agreement must provide a wage schedule under which postal employees will reach the maximum pay step for their respective labor grades after not more than 8 years of satisfactory service in such grades.

This bill thus eliminates the defects mentioned previously by providing for, among other things, direct managerial participation in and regulation of postal operations, financial independence from the budgetary allocation of funds, and the elimination of political influence from personnel operations—with the exception of the Commission on Postal Costs and Revenues.

These are giant steps in the reform of the structure and operation of our postal service and are but three of the reasons why I support the Postal Reorganization Act. Reform of the Post Office Department is drastically needed, and must be initiated without further delay.

Mr. DONOHUE, Mr. Chairman, I most earnestly hope and urge that this bill before us, H.R. 17070, to reorganize the

Post Office Department, will, in strong substance, after full debate, be approved on a nonpartisan basis by a very great majority.

It has become increasingly apparent over these past several years, that there is a real and urgent need for wholesome, improved reforms in postal policies and operations and great numbers of ordinary citizens, businessmen and public officials have expressed grave concern about the unhappy condition of our postal system. I believe that public dissatisfaction with postal operations and service is wider and public desire for improvement is more insistent than ever before in the history of the postal department.

An extraordinary number of responsible and respected postal officials, employee spokesmen and independent authorities have given formal testimony of their very deep convictions that the Post Office Department must be reformed and modernized.

It is quite clear, from the testimony revealed here, that the postal department has not been able to keep pace with the advances of the national economy in recent years, and that the morale of the department employees is, understandably, very low because prospects for merited promotions and increased compensation are too restricted and working conditions are frequently very poor. It is further revealed and emphasized that the Department continually operates at a great deficit and postal rates are set by statute, requiring congressional action in a very technical cost area which very often and unfortunately invites public misunderstanding about the supposed influence of special interests in setting up postal rates.

All of the testimony given and the recommendations made by the recognized authorities indicate that the only overall cure for the many problems and shortcomings plaguing the Post Office Department is a structural reform that will put complete operating responsibility in a single place with sensible safeguards against abuse of that responsibility and appropriate assurances of proper congressional surveillance. I do not believe the Congress should abandon its own special responsibility of making certain that the American public is not required to pay clearly unfair and unreasonable postage rates.

In summary this measure before us will establish a political pressure-free Post Office Department within the executive branch of the Government; it will create a postal institution with the modern equipment necessary to provide expedient and efficient public service now and in the future; it will adjust the salaries of postal employees to more equitably compensate them for the restricted advancement to opportunities they have suffered from in the past; it will improve postal employee-management relations and insure that the employees have modern equipment in a wholesome surrounding that is essential to the realization of full productive potential.

Mr. Chairman, no one will pretend that this is a perfect bill that will completely satisfy every interest and promptly re-

solve all the problems afflicting our existing postal system but it does, undoubtedly, represent a firm, forward step toward the long-needed conversion of the postal system into an efficient public service operation that will pay its own way and I most earnestly urge its adoption in the national interest.

Mr. BOLAND. Mr. Chairman, I rise in support of this legislation. Drafted with care and precision, the bill would reform the postal system from top to bottom and grant its workers the significant new pay increases they deserve. The need for this legislation is plain. An antiquated organization beset for decades by the most nettlesome financial and administrative problems, the Post Office Department simply cannot continue its mission without sweeping reforms. Delays and breakdowns in service—and, still more significantly, open restiveness among postal workers—are growing at an alarming pace.

The country must have a more efficient postal system. In an age when space flight is almost routine, the Post Office Department is working under horse-and-buggy procedures that were already anachronistic a generation ago. The bill now before us—despite several provisions I feel should be amended—promises to replace these unwieldy procedures with modern and efficient ones. The bill would, for example, allow the postal system to maintain at least its current scope of service in the face of staggering volume increases expected within the near future. It would clear away the cumbersome legislative, budgetary, financial and personnel policies now severely inhibiting service. It would permit swift and expeditious transportation of mail, grant postal workers better working conditions and pay, build a lasting foundation for a postal system than can meet the Nation's demands.

The strength of virtually every American institution—everything ranging from industry to education, from government to health care—hinges in large part upon an effective postal service.

The country cannot afford to continue the present postal system.

I urge passage of this bill.

Mr. FUQUA. Mr. Chairman, an attempt is being made to delude the American people with this measure which has been titled a "postal reform bill." In my opinion, it is not a reform measure, but merely transfers all of the old problems to a new form of management.

There has been a great deal said about the need to modernize and mechanize the postal system. There is no reason that this cannot be done by the Post Office Department.

It is said that one of the problems of the Department is political. The present administration has changed the method of appointment so that no Members of Congress are consulted on these appointments.

The present system allows for advancement from within the postal service and I support this concept.

Therefore, I think the argument that the problem of the Post Office Department is political is a little farfetched.

I do support the pay raise portion of this bill. It has long been recognized that the salary schedules of postal workers needed to be drastically revised.

I am also pleased at the adoption of the amendment which would prohibit compulsory unionism. It is my hope that we never see the day when a person must join a union in order to get a job with his Government.

But, I cannot in good conscience vote for this bill.

It will simply change the form of management and leave all of the old problems unsolved.

There have been plenty of recommendations made through the years which would solve a great many of these problems—and these could have been and can be accomplished with the present general structure of the Postal Department. The Department has been shackled with a lack of adequate funds and the lack of forceful leadership from the Postmaster General's office to begin modernization and mechanization. Such a move, in my opinion, would have the support of the vast majority of the American people and the employees of the Department.

Another problem has been the unwillingness to raise the rates for "junk mail" to the point where it would pay its way. I have never been able to understand why a first-class user or the taxpayer has to subsidize this class of mail.

If these rates were raised to a realistic level, it would have provided a portion of the funds needed for the upgrading of the postal service.

Mr. Chairman, the bill we are debating here today has been misrepresented to the American people. It is not a reform measure and will merely delay our getting on with the job that needs to be done.

It is my hope that the bill will be defeated and that the administration and postal officials will begin to put as much time and energy into doing something about the problems that we all know exist in the Department, as they have on this piece of legislation.

The Congress, the American people, and the dedicated men and women in the postal service would support such a move.

Mr. GILBERT. Mr. Chairman, it is with some relief that we finally see the postal reform bill before us today. This bill has been delayed too long in getting here and I would hope the House will act with dispatch in passing it.

We have much at stake here today. There is, of course, the issue of whether we shall keep our word and increase the absurdly low salaries of our postal workers. There is the question of union representation and whether all unions, now active, will be protected under the new bill.

But what is most important for this Nation at large is whether the Congress keeps faith with its citizens. Should we act unwisely, or fail to act at all, we would be rendering a mortal blow to that trust which must exist between a government and the people it represents if a nation is to survive.

We saw last spring the effect upon this Nation when the mails do not move. We know the postal system must be modern-

ized and made more efficient. We know that the moribund postal system must be changed from top to bottom if it is to operate well in a fast-paced technical age.

Yet all the innovations, all the proposed changes suggested in and out of Government regarding our mail service, will go for nothing if the basic trust between the Government, its employees, and the people of this Nation are abridged. We promised our Nation we would act with dispatch in order to avoid further strikes. We promised our workers we would act with compassion toward their plight so there would be no need for acrimony. On this pledge, the workers went back to work and the Nation began to breathe and function once more.

But what has Government done since the crisis was averted. We have not acted with dispatch nor, some would say, with compassion toward the workers who believed us at our word. We have delayed, and then delayed further.

I will vote for creation of an independent postal system because I believe the present system is outmoded. I do not know if an 11-man commission can operate this system efficiently but I am willing to give it an opportunity to do so. If it cannot, we can tinker with the system further as it needs adjustment.

But I am concerned with those thousands of postal workers who have waited so patiently for the 8 percent increase we offered them. Last spring, when our back was to the wall, we promised the raise quickly enough and implied it would be retroactive to last December.

With the heat off somewhat, we now have a bill before us that is retroactive only to last April 16. It is a minor change but as a symbol to the American worker, it only proves once again that the surest way to get what is promised is to keep the pressure on the throat at all times. When will we learn that man lives by his word and when it is not given faithfully, it is not given at all.

We also see attempts to break some of the existing unions by eliminating them from recognition under the new proposal. I cannot abide that and I would hope that provision is stricken from the bill before final passage.

We have an open rule on this bill before us today. I would suggest that as some amendments are given we all try to keep an open mind on the postal system and its people.

Mr. BIAGGI. Mr. Chairman, just 3 months ago, to the day, the National Association of Letter Carriers in New York City voted to go on strike. For the first time in its long history the Post Office Department was faced with a voluntary work stoppage brought on primarily because of the Government's refusal to respond to the needs of its employees.

The several days of frustration and apprehension caused by the strike was an unfortunate experience for postal employees, union representatives, the administration, and a great majority of the public. However, it brought into focus the plight of our postal workers and prodded Congress into making serious attempts to deal with the many problems facing the Post Office and its employees.

While the postal strike was a drain on our country, one factor must not be overlooked, Mr. Chairman, two clearly separate issues were involved in the postal debacle. One had to do with postal reorganization and the other with employee pay, benefits and working conditions. It is a pity that the administration saw fit to insist on combining these two potent issues. In effect, postal employees were held for ransom and were asked to sacrifice consideration of the postal pay issue until restructuring of the postal system was enacted.

Today we have deliberated long and hard to pass an acceptable postal reform bill. Whether we have accomplished our objective is open to question. The agonizing by members of this Committee for the past 2 days could well have been minimized had the pay issue been taken up and enacted separately. Cash benefits so sorely needed by our postal employees would long ago have been put to good use. Instead, we prolonged the disquieting rumblings of employees and their unions and added to the anxiety of a whole nation.

Mr. Chairman, my past efforts, made both to avert the postal strike and later to reach an early agreement once it started, were made with the hope that a modern and efficient postal system would eventually be established. But, more important, it was my hope that postal employees would be given the recognition they deserved and an adequate pay increase to bring them into line with prevailing salary levels in comparable jobs.

The postal bills and the numerous amendments considered in the past 2 days have attempted to deal with the multiple facets of postal reform as well as pay increases. Our final version tonight will in no way satisfy all of the interested parties of either issue. Yet, it is my hope, that in the interest of all, each of the groups will be willing to accept compromises so that the day when postal employees will finally start to enjoy the benefits of our labor will be so much closer at hand.

Mr. RARICK. Mr. Chairman, we have given away this and given away that and apparently we have become so calloused to giving away what belongs to others that there is no longer any resistance to being asked to give away what belongs to the American people and entrusted to our supervision.

The Constitution charges Congress with the delegated trust "to establish post offices and post roads"—one of the enumerated prerogatives of this body which we are now urged to just give to a private independent establishment.

In 1917, Congress delegated its power to coin money and regulate the value thereof to the Federal Reserve private bankers; last month this body surrendered to HEW our delegated power to tax our people—now we are asked to give away the postal service, the world's largest service organization. The many excuses offered for the most part can be traced to problems created by this body. We are already being encouraged to surrender the exclusive power of this body to legislate over the District of Colum-

bia—there is not much left except to admit that we are not able to fulfill our trust to raise and support armies and provide and maintain a navy.

But even considering the persuasive arguments about a commission or a Soviet to run the postal service, who ever heard of a Government monopoly being granted the privilege to float bond issues? Not even TVA, FHA, or the Federal Reserve have such powers, yet we are here asked to grant the new postal authority the right to float a \$10 billion bond issue. To pay what? Its present indebtedness or what it can be expected to lose before we are asked to take it over again at the additional loss to the American taxpayer?

I fear that if this bill is passed we will have given our people a real can of worms—this measure will prove to be the greatest fraud ever perpetrated upon the American people.

A pay raise—yes, for working and needed members of the postal service—I support that, but I cannot cast my people's vote against our constitutional mandate delegated by my people—a trust to this body to run and supervise the postal service.

Mr. RANDALL. Mr. Chairman, H.R. 17070 is not going to be accepted with great enthusiasm by very many Members even though a large majority will reluctantly support it on final passage. For my part I recognize the gigantic task that confronted our Post Office and Civil Service Committee under the widespread demand that there be some form of postal reorganization to improve postal service. Anything that may be said in severe criticism of portions of this bill should not be construed as personal criticism against the members of our committee.

I reluctantly support H.R. 17070 because it is all that is left to try to achieve some improvement in our mail service and also to provide a long needed increase in compensation for our faithful postal employees.

The bill is a complex measure containing 317 pages. Because of the length of the measure it has come in for criticism on the House floor that has bordered almost upon abuse. The bill was called a monstrosity and an abomination. The worst words that were used was to call the bill a can of worms.

I am not happy with many of the provisions of H.R. 17070. But name calling will not help much at this point. All of us are prone to mistakes. The only person who makes no mistake is one who does nothing. In my opinion the committee and the House made a grave mistake by not working more diligently and more perseveringly, early and late, to secure a conference on H.R. 13000. It is not for me to assess blame against the Chairman of the Post Office Committee in the other body but certainly he must share some of the blame for his failure to agree to a conference bill on H.R. 13000.

A much more palatable solution for improvement in the postal service would have been to proceed along the lines of H.R. 4 and concurrently try a little harder to agree on pay increases provided in H.R. 13000. In answer to the arguments that the Chief Executive would have

vetoed such pay increases in the absence of a White House stamp of approval on its brand of postal reorganization. The reply is that if there had to be a veto, proceed to try to pass the pay raise over the veto.

By the foregoing procedures we could have proceeded with the kind of postal reorganization or reform, if you please, which would permit modernization of postal facilities, taken advantage of automation, go ahead with research for such devices to read addresses like a human, and to provide for funding by the issuance of bonds or debentures, rather than from annual appropriations. In other words, do all of those things which can be accomplished in this bill without turning the entire operation over to some unelected and perhaps unresponsive officials.

H.R. 4 or some other vehicle could have retained the Post Office Department within the present structure of Government and at the same time have provided just as well for the elimination of so-called politics or political influence as H.R. 17070.

Mr. Chairman, I have grave misgivings about the consequences of changing the postal structure from a service organization to a business operation. I am most apprehensive that postal rates may go sky high. Fortunately we have retained a safety valve as to this eventuality whereby one body of the Congress can veto an exorbitant postage rate increase, but it will take a two-thirds majority. I am also concerned that a board of appointed officials may choose to reduce the services to which all of our people have become accustomed, in the interest of conducting what they regard as a successful business operation. With control lost to the elected Members of Congress who is to stop this group of appointed officials from curtailing service as to the hours of pick-up and delivery or even how many deliveries per day or how many days per week?

With all that has been said about the fears of what may happen then why is it that a Member can find any way to support this kind of a bill? The answer is that now we have no chance to support an H.R. 4 type of bill which would provide all the advantages of reorganization but leave control vested within the elected and responsive Members of Congress. Moreover, we lost our chance to accord a pay raise separated from reorganization by the way we handled H.R. 13000.

The answer to why we must now most reluctantly, certainly not enthusiastically, and, almost unwillingly, support H.R. 17070, is because it is a fact that our mail service, due to the increasing volume of mail, has deteriorated. It has become so bad something must be tried. Service may get worse before it gets better. Nearly everyone is in agreement that the Post Office Department is presently so afflicted and so enfeebled that it calls for some bitter medicine to cure its ailments. H.R. 17070 is a bitter pill to swallow.

At the moment all I can say is that let us hope that the unelected persons that may be appointed to run the Department

will not be altogether unresponsive to the interests of the public. There is one saving grace in voting for this bill and that is if some of the uncomplimentary descriptions that have been thrown at it are true then thank goodness that what the Congress does it can undo. As much as anyone else I hate to turn the operation of a time-honored service institution over to some appointees who may or may not do a good job. Hopefully, the other body will clean up or repair some of the mistakes we have made a part of our bill. We should not have to ask them to do that.

Finally the slowness of the mails at the present time have given those who have argued for reorganization the opportunity to validate their claims that some kind of a change had to be forthcoming. I shall vote for reorganization because service has recently been so bad that something must be tried to improve the situation. I predict after H.R. 17070 is given a trial and we see it in operation, assuming it passes the other body as we send it to them, that the plan will be repealed or repealed in part in the not-too-distant future. I support this bill to give it a trial, because it is the only available vehicle to give our postal people a long deserved pay raise.

Mr. WATSON. Mr. Chairman, I firmly believe in equal pay for equal work. A postal employee in my State of South Carolina works just as hard and just as long as one in New York or in another State, and there is absolutely no justification for telling the postal worker in South Carolina that he must receive less pay than his coworker in another State because living costs are supposedly higher.

In the recent postal strike it was our faithful southern post office workers who stayed on the job. On the other hand, employees in many other States left their jobs. It would seem to me that in the consideration of the postal reform legislation, in regard to wage differentials, the disproportionate salary should be in favor of southern employees, although I don't believe any area is entitled to favorable treatment in connection with the wage structure for Federal employees. If advocates of this form of regional bias against the South feel that southern workers should receive less, then why not write a provision into the bill that would call for southerners paying less for postage stamps and other postal services?

I feel that I would be less than faithful to our loyal postal employees in South Carolina if I failed to support an amendment to eliminate the wage differential section of the bill. If the bill passes with this section intact it would open the door to regional discrimination in the matter of wages. I cannot support a bill that would give preferential treatment to one segment of the country.

It is amazing to me that there are some people who still feel that the South is not part of the Union; and therefore, can be treated like a stepchild whether it be in reference to the postal reform legislation, a voting rights bill, school desegregation or consideration of Supreme Court Justices.

Mr. BUTTON. Mr. Chairman, a great deal of attention has been focused on this Postal Reform Act with pros and cons offered from every conceivable interest. A good part of the debate over this bill involved the basic task of reform undertaken by our Post Office and Civil Service Committee, of which I am privileged to be a member. Our committee was faced with the task of making this country's postal system the best in the world, the most modern and the most efficient.

This legislation does exactly that. It is not perfect, but, then, what legislative efforts can claim to satisfy all divergent interests?

What this bill does is realistically meet the crucial need for reform in the best possible way, maintaining important protections for our Nation's 750,000 postal employees and guaranteeing the most efficient organizational structure possible.

This bill accomplishes four basic reforms:

First. It removes the Postmaster General from a Cabinet post to provide for continuity of management.

Second. It allows postal management to issue bonds to obtain badly needed funds.

Third. It provides for true collective bargaining between employees and management.

Fourth. It establishes a rate scheduling system to be set by postal management upon recommendation of a panel of rate commissioners.

It is curious that opinion on this bill covers a spectrum ranging from those who think the reform goes too far by creating a postal corporation, to those who think the reform does not go far enough.

Mr. Chairman, I believe that this bill is a happy compromise between these two extremes and will provide the kind of mail service needed by the American people. The committee worked a long time in drafting this legislation and, I feel, did a good job.

I grant that there are imperfections. One in particular is the lack of special rate considerations for educational, religious, and charitable organizations.

I attempted to change this during debate on H.R. 17070, but unsuccessfully. The impact of the loss of this free or reduced rate privilege currently in effect is little short of catastrophic for these groups and organizations.

I am grateful to New York State Commissioner of Education, Ewald B. Nyquist, for his support of my amendment.

In a letter sent to Members of the New York congressional delegation, Commissioner Nyquist underscored the need for this type of free or reduced rate privilege.

He said:

Adverse effects in the postal rates for libraries and educational institutions in New York State will cost at least \$1 million annually, the effect of this could mean a reduction in the availability of services and materials at a very inopportune time.

I also wish to thank the New York State Teachers Association for its support, with special thanks to G. Howard

Goold, executive secretary of the association, for his endorsement of the amendment.

Mr. PRICE of Texas. Mr. Chairman, the U.S. Post Office stands in sore need of reform. Postal operations run at an annual deficit of well over \$1 billion. Most postal equipment is 30 to 100 years old. Last year the Post Office handled about 82 billion pieces of mail. In another 10 years the figure will reach almost 110 billion pieces. Unless something drastic is done now, just imagine what the operating deficit will be in coming years.

For the past 14 months the House Post Office and Civil Service Committee has been laboring over postal reform. The product of their deliberations was the Postal Reorganization and Salary Adjustment Act of 1970. This act will provide many meaningful and economic reforms in our national postal system. The act converts the Post Office Department into an independent establishment in the executive branch of Government. It frees the Department from political pressures. Finally, and most importantly, it provides the means by which a truly superior mail service can be developed.

My main reservations about the legislation centered on my strong opposition to a provision which would have legalized the union shop in the Post Office Department. As badly as Post Office reform is needed, I would have voted against the act had the final version contained the union shop clause. No person should be forced to join a union as a precondition to working for his Government. Besides, I felt if this were allowed it would set a dangerous precedent, and unions would have made a giant step toward their stated goal of unionizing public employees at all levels of government. Fortunately, many other Members believed as I did; and together, we were able to remove the offensive provision from the act.

In the final analysis, Mr. Chairman, the Postal Reform Act is the biggest overhaul of the U.S. postal system since its inception. I am proud to be a member of the administration's team that worked to bring the idea of postal reform to fruition. Once, the act has passed Congress, however, it is up to Post Office officials to make it work. For several years Congress has been told the mail service would be greatly improved by certain reforms. The 91st Congress, under President Nixon's guidance, has substantially enacted these reforms. Only time will tell if the performance of the new post office meets our expectations.

Mr. CRAMER. Mr. Chairman, I support H.R. 17070, the Postal Reorganization and Salary Adjustment Act of 1970, as amended on the House floor. It provides for long overdue reform and streamlining of our critically underfinanced and under-staffed Postal Department; provides for cost-of-living increases for our deserving, loyal and hard-working postal employees; and, as amended on the House floor, provides for preserving the right of a postal employee to join or not join a union as his or her conscience dictates, without threatening their civil service status.

I have consistently opposed the repeal

of 14-B, the right-to-work clause of the Taft-Hartley Act, and the House has properly preserved this right in H.R. 17070, in its present form.

I announce my support publicly, in that I would have voted "aye" had I not been unavoidably detained in Florida when the vote came.

Mrs. MINK. Mr. Chairman, I rise in opposition to H.R. 17070, the postal corporation bill.

Traditionally in this country, the Post Office has been a public service, with its duties prescribed and postal rates set by elected representatives of the people. It has been operated as a public service rather than a profitmaking enterprise. Congress has passed appropriations to pay for its operations in the belief that the unique service provided by the Post Office benefits all of our people and should, therefore, be paid for out of tax revenues.

Under the postal corporation bill, however, this historic concept will be changed. No longer will service to the people be the main concern of the postal system. Instead, decisions on what services to offer and what rates to charge will be made by administrators not responsible to the people and instead meeting behind closed corporate board rooms.

The guiding philosophy will be a strict bookkeeper's balance of the postal budget, with services cut or terminated and rates raised to whatever extent is necessary to achieve that single goal.

I am convinced that the people of Hawaii will be singled out for a greatly discriminatory burden if the corporation plan is put into effect.

Those sponsoring this legislation, and the Postmaster General of the United States, have neglected to inform us of the specific changes in service and rates which will be implemented once Congress gives up its responsibility for the postal system. Thus we can only conjecture as to what schemes might transpire under a business-type operation.

Presently your 6-cent stamp delivers your letter to any part of the United States, whether to a tiny town in Maine or just down the street. Under a corporation business concept you might well have to pay a higher rate to send a letter to Maine or New York from Hawaii than to California, as you do now for parcel post. If this occurs the people of Hawaii because of their distance from the mainland would have to pay a rate many times higher than rates for other States to send their letters to any city on the mainland.

I cannot in good conscience surrender my right and constitutional responsibilities to participate in postal ratemaking decisions unless there is absolute assurance that such a discriminatory burden will not be inflicted on Hawaii. The legislation before us contains no such assurances or guarantees of uniform postal rates.

We are already paying far more than others for parcel post, airfreight, telegrams, and telephone calls from the mainland. Why add letters to this list?

We are being asked to support, with no firm knowledge of the consequences, legislation which would allow radical decreases in the kind and quality of postal

service now enjoyed uniformly by all our people. We have heard projections of 100,000 jobs to be eliminated, closing down of post offices particularly in suburbs and rural areas, and other potential drastic curtailments of service.

The service of two mail business deliveries per day, and Saturday window hours have already been eliminated in many areas. If this bill is passed, we will see vending machines installed and clerks fired with serious deterioration of the personal service which has been legendary in the postal system.

Reportedly, a "5-year plan" has already been developed by the administration to be enforced as soon as this bill is passed. While details are being kept secret, we are informed that it includes elimination of all Saturday delivery service and window service, consolidation of existing postal facilities, curtailed mail delivery service to colleges and universities, reduced clerical hours, discontinued air taxi service, discontinued airlift for first-class mail which is vital to Hawaii and numerous other cancellations of service.

Moreover, we already know that the administration wants a 10-cent first-class basic letter rate.

The only thing we can be sure of if this bill is passed is that service will go down and costs charged to our citizens will go up. I hardly think this is the kind of treatment we should inflict on the American public, and the people of Hawaii in particular, in the name of postal "reform."

We are told that this legislation will take the postal service out of politics, yet the postal corporation it establishes will be run by a politically appointed board.

We are told that it will help enable the Post Office to cope with the enormous increases in mail volume, yet there is no explanation of why buildings, mail handling equipment, and other facilities could not be modernized under the existing organization with adequate appropriations.

This legislation will allow the new postal corporation to borrow up to \$10 billion to finance modernization. Why should we saddle postal users with millions of dollars in interest charges for these debts? This seems to be a backward step, not "reform" since the Post Office presently is operating on current revenues and legislative appropriations.

I am for modernization, mechanization, and greater efficiency, but we must not be fooled into thinking that just because a bill is called reform it must be passed without responsibility for the consequences.

Under this bill, mailings by charities for their fund drives, mailings of educational materials, mailings for the blind and other similar reduced-rate "public service" mailings will have to be assessed the same rate as all other mail of the same class, and reduction of these preferential rates can only be possible if Congress specifically appropriates a subsidy. The existence of many public charities depends upon low cost mail solicitations, and this bill places all of these in jeopardy.

Finally, under this bill, postal employees are removed from coverage under the regular Civil Service System. The new postal corporation will hire and fire as it determines without regard to present competitive Civil Service requirements. Employees will be subject to binding arbitration in any insoluble wage disputes and will have no opportunity to petition Congress for a decision on their grievances.

The Postal Corporation employees will be paid according to prevailing private sector wages in their area, with those from depressed wage areas paid less and those from high wage areas like New York City paid more. There will no longer be a uniform basic salary for each classification, so that postal employees will become another category of blue collar workers dependent on area wages.

As a result of an amendment offered by my colleague from Hawaii which I supported, the 15 percent cost-of-living allowance will be preserved for our postal employees. I hope it will be retained in conference. Still the basic wage to which the 15 percent will be applicable will be based on prevailing wages in the area, which will be an item for collective bargaining.

We in Congress will merely be allowed to accept or reject, without amendment, the rates set by the corporation. There will really be no choice, since the corporation will cut services and curtail pay raises if Congress rejects the rate proposals. Postal employees and the public will be at the absolute mercy of a corporate panel which has no direct responsibility to the public, and the Congress will have no way to effectively protest the curtailment of service which will undoubtedly occur, under the mandate that the postal system be self-supporting.

Public complaints to your elected representatives will be futile when this corporation is created. Have you ever tried to complain to the AEC, the SEC, FCC, the ICC, or the CAB? I have as a Member of Congress. Your complaint will merely be filed on a docket and probably never considered.

While registering these objections to the postal corporation bill, I want to emphasize that I favor true reform which would preserve the principle of public service. This Nation can and should provide more funds for the Post Office to modernize its facilities and to increase its efficiency.

There is no reason to turn the Post Office over to a corporation just to provide a pay raise for the employees. We should instead immediately adopt a retroactive pay raise of at least 8 percent for all of our loyal, hard-working postal employees, and initiate other long needed reforms in working conditions, hours, and greatly reduced length of service requirements for top grade pay. We should then work to reorganize the Department, initiate reforms like the ZIP code, and insist that it have the necessary funds to operate efficiently.

Congressman WRIGHT, of Texas, offered an amendment to provide an 8-percent pay raise retroactive to April and eliminate the postal corporation. I voted for

this amendment. I intend to vote for the motion to recommit which will contain this same amendment. I believe with Mr. WRIGHT and others that from its very beginning the post office has existed not to make money but to serve people—all of the people—those who live in our largest cities as well as those who live in the remotest parts of our country without increasing the cost for this service for those who live in the far corners and reaches of our land.

Of all the institutions of American life the post office promotes the most humanizing and civilizing activity of all—the free flow of personal communications. Without this, the word “democracy” would have an incomplete meaning.

The Post Office is the oldest of Government functions, and the most personal. Before the writing of the Constitution, the Continental Congress authorized money for “post offices and post roads.”

The Founding Fathers did not ask whether this service would return a profit to the Government. They no more expected the Post Office to return a profit than they expected the Army and the Navy to return a profit.

They knew it would not do so, except in the incalculable dividends of nationhood—the promotion of commerce and public enlightenment, and the invisible bands of national unity by which the people were able to tie themselves together into a nation.

I am afraid, if cost-matching-revenues is made the central thrust of postal reform, the State of Hawaii will have a new and vastly burdensome obstacle to full communications with, and equal participation in, the expanding vitality with the rest of the United States.

Today the prompt and efficient delivery of mail is the lifeblood of business and of inestimable importance to all of our citizens. This noble service, which daily delivers more mail than is delivered in all of the rest of the world combined, should not be saddled with fiscal requirements which will destroy its public character.

All Americans need and depend on postal service, and it belongs to us—not to some faceless board members in a corporation. The Congress should remain answerable to all of the people for its operation. Congress should not delegate this authority or responsibility. The problems are immense but I believe the Congress has the capacity to deal with them.

It is for these reasons that I am voting against H.R. 17070 and urge my colleagues to do likewise.

Mr. HOGAN. Mr. Chairman, as a member of the House Post Office and Civil Service Committee, during the course of the last year I have become aware of the need for sweeping reforms in postal policies and operations. The committee held extensive hearings resulting in 1,500 pages of testimony representing a myriad of viewpoints in support of postal reform and in support of and opposition to the proposals considered by the Committee. These were followed by long hours and lengthy consideration by the members of the com-

mittee to the need for postal reform and reorganization.

The major problems of the existing and very antiquated postal service were found to result in a chronic deficit operation while the quality of service has deteriorated under an evergrowing burden and costs to the American public continued to increase. On the internal side, the working conditions are very poor and sometimes primitive, and career prospects are bleak, resulting in extremely low morale among the employees. The committee found these problems arose from not a few but numerous circumstances which combined to deteriorate the postal service into its present state. There is no doubt in my mind that such deterioration will continue unless drastic changes are made.

The actual bill before the Members was transmitted to Congress by President Nixon on April 16, 1970, and was the result of the negotiations between the Postal officials and labor unions earlier this year. It should be noted that this bill incorporates many of the recommendations of the House Post Office and Civil Service Committee on H.R. 4.

Basically, H.R. 17070 would restructure the Post Office as an independent establishment within the executive branch of the Government to be known as the U.S. Postal Service. Although it would not be a Government corporation, it would have the authority and responsibility necessary to conduct the affairs of the U.S. Postal Service on a businesslike basis, and yet retain the public service character of the Nation's mail system.

The several amendments which the committee made to the bill are detailed in House Report 91-1104. However, I would like to briefly call to the Members' attention a few areas which I feel have been vastly improved upon by the committee.

The committee amended section 208 to require recognition of an organization of supervisors and administrative, professional and technical employees, levels PFS-17 and below, and permit them to participate in the formulation of all policies affecting the conditions of employment of that group, except for rates of pay.

Section 223 of the bill restricted collective bargaining units to national craft units. This amendment would have had a discriminatory and detrimental effect upon unions such as the National Postal Union and the National Alliance of Postal and Federal Employees whose memberships do not follow craft lines.

Furthermore, section 224(B) provides a savings clause for existing union agreements and supplements in effect upon enactment of this bill and section 226 was amended to continue in force existing agreements with organizations which provide for dues checkoff.

Section 1201 was amended to require that rates for fourth class parcel post be set so that the revenues therefrom would bear within 4 percent the cost of the service.

Section 112 of the committee bill would provide fair guidelines for the selection of postmasters during the interim period between the date of enactment and the

effective date the new postal service begins.

The committee amended section 201, the section authorizing an 8-percent pay raise, to provide that the pay raise be effective retroactively to the first day of the first pay period beginning on or after April 16, 1970, remaining contingent upon enactment of H.R. 17070, however. Further, it provided for collective bargaining between postal management and the postal unions to begin promptly after enactment on wages, hours and working conditions.

I wholeheartedly support these amendments to the bill and feel there is only one major area which needs yet to be amended. That is the language in the bill which would permit the officials of the postal administration and the postal unions to negotiate union shop contracts which would require postal employees to join or pay dues to the union in order to keep their jobs. Under existing law, there can be no union shop or agency shop where Federal employees are concerned. This legislation would permit the extension of the provisions of the National Labor Relations Act for the very first time to Federal employment. I declare my intention to support an amendment on the floor which will guarantee each postal employee the right, without fear of penalty or reprisal, to form, join and assist a labor organization or to refrain from such activity. I am very hopeful that the Members will see the need for this protection clause for postal employees and join me in supporting this amendment when offered.

In summation, I feel the committee has done an outstanding job on this legislation, which, if enacted into law, will provide the necessary basis for a vastly improved and modernized postal service which is of vital importance to the continued growth and well-being of our Nation and its economy.

Mr. GUDE. Mr. Chairman, I rise in support of this greatly needed postal reform legislation. The administration is certainly to be commended for its willingness to come to grips with one of our biggest domestic problems of the day. The Post Office Department has been in serious trouble for years. Apart from the question of pay, the physical working conditions in many offices are poor; promotion opportunities are limited; and management has been unable to make improvements that have been brought about years before, in the private sector.

The legislation before us today provides a complete overhaul of a system that has long awaited such action. We can no longer subject the public to the increased delays, breakdowns, errors, and damage in a service that it pays for each day. Public dissatisfaction is more widespread and the demand for change has become more insistent than ever before.

It has now become apparent that all the shortcomings of the Post Office Department are bound up in the fact that management is shared. It is dispersed over a number of executive agencies and among several congressional committees. The only solution is fundamental reform which will put complete responsibility in a single place. Postal manage-

ment must be given authority consistent with its responsibilities and the Department must be operated in a businesslike way. In so doing the postal employee will occupy the same position as workers in private industry.

I want to call your attention to an amendment that I am particularly pleased is a part of this legislation. Congressman McClure's proposal to guarantee that those persons who have religious conviction, particularly Seventh Day Adventists, to union membership will in no way be affected by the establishment of a postal corporation. Although I am a strong advocate of postal reform, I do not feel we can permit a postal reform bill to pass the House unless we have given the members of such faiths full assurance that their employment in the Post Office Department will not in any way be jeopardized as a result of the establishment of a postal corporation.

I firmly believe that our whole economy, as well as the postal patrons and postal employees, will benefit from a postal service which is able to operate in such a corporate framework as this legislation will provide.

Mr. GROSS. Mr. Chairman, I move to strike the necessary number of words.

Mr. Chairman, I take this time to advise the House of the recommittal motion which I proposed to offer at the proper time.

Mr. Chairman, I was never more convinced of anything in my life than that there is dissatisfaction with the alleged reform provisions of the measure we have before us. The motion to recommit will be quite simple. It will provide for recommitment to the Post Office and Civil Service Committee of all provisions of the bill dealing with so-called postal reform. It will provide an 8-percent pay increase for all postal employees effective April 16, 1970, and will reduce the time in grade from the present 21 years to 8 years. This would be effective on January 1, 1971. That, in brief, will be the motion to recommit.

Mr. GERALD R. FORD. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the minority leader.

Mr. GERALD R. FORD. I believe the issue presented by the motion to recommit is a very clear-cut one.

The motion to recommit, if approved, would in effect give a pay increase, with the compression, and strip the whole committee action, and the Committee of the Whole action so far as reform is concerned.

A "yea" vote on the motion to recommit means in effect that we are abandoning the effort for any bona fide, legitimate postal reform. A "nay" vote means that we want to help to defeat just a pay increase, and a "nay" vote will mean, because there will be a subsequent vote on the final package, that we will vote for an 8-percent pay increase plus postal reform.

I hope the motion to recommit will be defeated, and I hope that in the final analysis we can vote for postal reform and a pay increase.

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

Mr. GROSS. I yield to the gentleman from Ohio.

Mr. HAYS. I should like to say to the gentleman I believe the motion to recommit makes some sense, because labeling something "reform" does not make it reform. One can put a label on a garbage can that says "reform" but it does not make the contents anything but garbage.

If Members think that turning the Post Office Department over to a commission which has proved time and time again that it cannot operate anything—we have got it in this—is reform, then they do not understand the word the way I understand it.

I believe the gentleman's motion will do exactly what this Congress ought to do: Give the postal employees a raise, and compact the time in which they can rise in grade. Then we can decide what the Post Office needs to do to carry the mails more efficiently.

It used to be, under the previous administration, it took 3 days to get a letter to my district 300 miles away. It takes 5 days now. If this bill goes through, I imagine the Pony Express would be faster.

Mr. GROSS. I appreciate the statement of the gentleman from Ohio. Let me say this, Mr. Chairman: I am for reasonable reform in the Post Office Department, but I am not for the unconscionable delegation of power that this bill would hand over to a commission of nine men in the Post Office Department.

Mr. GERALD R. FORD. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I am glad to yield to the Minority Leader.

Mr. GERALD R. FORD. Every survey and every questionnaire, Mr. Chairman, have indicated that the American people want postal reform. The Committee on Post Office and Civil Service has made a bona fide, legitimate effort to come up with some reasonable, responsible, constructive postal reform.

The House in the Committee of the Whole has worked its will. I think it has improved the legislation, and we will have a clear-cut vote very shortly on whether you are going to have postal reform, which the American people want. I hope that the motion to recommit is defeated.

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

Folks, I wish you would not get hysterical about this motion to recommit. Now, let us think on this and reflect a little bit.

We passed a pay increase for postal employees last October and it failed to get through the Senate. Then we had a strike and we had all kinds of turmoil. Finally, after much waiting they got a pay increase which was effective in January.

Now, I do not think that was very fair. With the kind of a delay that will occur with this motion to recommit, I think that would be even more unfair.

Let us be a little bit more sober in our reflection here. There are two things that are very necessary in this bill. One is a postal pay increase. That is vitally necessary. The other thing, especially if you visit with the Committee on Appropriations, which listened to the appropriation requests from the Post Office Department, is that they will tell you it is vitally

necessary to have a financing program for expanding the facilities and the building program of the Post Office Department.

Now, I have shared the same experience that WAYNE HAYS talked about about the slowness of my service. When I first came to the Congress—and it was only 10 years ago—it only took 3 days to get a newspaper from my State of Montana to Washington. It now takes 5 days. But the real reason is not because my newspaper is in the hands of the post office for very long. We checked it out. Our waiter down there in the Members dining room is a postal clerk, and he checked it out for a period of 4 or 5 weeks. My newspaper did not stay in the Washington post office for more than 5 hours. My post office in Montana did not even see the newspaper because it was carried from the newspaper office to transportation.

That is where one of the real faults is. HARLEY STAGGERS said that he will help us with transportation. So do not blame this all on the post office. The post office does have to have increased facilities. To do that they have to finance facilities and buildings. The point I want to make here is I did not have my way here with several amendments, but this step has to be taken. We have to take this step. The best reason is to get a pay raise through for these men and their families, and the next best reason is because we need better facilities and we have to finance it in some way. This bill makes that possible.

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

Mr. OLSEN. I yield to the gentleman from Ohio.

Mr. HAYS. I think what the gentleman says about his newspaper makes a lot of sense. But I got a letter today, only today, saying that the Post Office Department under this present regime had made a study and they were canceling the mail cars between Pittsburgh and Indianapolis. They are going to carry it better. Well, you know that is ridiculous, because one of the reasons we have this trouble is because we do not have enough trains. They are going to put in a few more trucks and travel a circuitous route. In order to get a letter from here to my district, it has to go to Columbus and come back 100 miles by truck. These are the same managers you want to turn this whole thing over to now without any congressional supervision and pay them a fancy salary and let them go into the money market and borrow \$10 billion and pay interest, all in the name of what? What about the other body? If they do not pass the bill, that is their fault.

Mr. OLSEN. I cannot yield further. I have to respond to the statement that the real problem on canceling mail cars is that when the mail car gets to some destination there is no connection with another piece of transportation. So there it waits on the dock.

And so the post office is stuck with having to find new transportation. That is the truth of the matter. The mail is not laying in the post office, your mail is delayed in transit, and we are going to have to get action, and the gentleman from West Virginia (Mr. STAGGERS) says

we will get action out of the Committee on Interstate and Foreign Commerce and get better transportation.

Now, let us get that straight. This motion to recommit is going to delay a pay increase—it is going to delay a pay increase, and that is why I am against the motion to recommit.

The CHAIRMAN. The time of the gentleman has expired.

Mr. UDALL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think that we are ready to vote on this, but let me make this one point, after I think very thorough debate, as I think the senior Members on this side, the gentleman from Montana (Mr. OLSEN), who just spoke, our chairman, Mr. DULSKI, the gentleman from North Carolina (Mr. HENDERSON), and myself all agree. Some of us do not like some of the things in the bill, but do believe this is a sound step toward postal reform. I talked with the leaders of the postal union, and asked "what do you want us to do on the motion to recommit?" and the answer is very clear—they oppose the motion to recommit, and urge their friends to vote against the motion to recommit. Year after year we have heard the same story that all they get is a pay raise; that is all they get—a pay raise. My subcommittee has recommended a pay raise almost every year. Still, each year the mail gets slower, the delivery gets worse, at least we are making a move to try something new. Maybe we can get some efficiency, maybe not, but the things cannot be any worse than they have been. Because certainly it is going to be easier for them to sit down and discuss their problems. The main thing is that the employee union people want collective bargaining. Up to now the unions have been merely lobbyists, they have been coming up begging with their hats in their hands, talking about getting a pay raise. Well, that is now out because they will have, in this bill, the machinery of acting with dignity, and they can sit down with management, an entirely new management, and say, "Here is what we need," through collective bargaining. "Here is comparability, here is what they are paying in the other sectors. We want this." They do not have to come around with their hat in their hand to Congress. If they do not come to an agreement, then they can say that they are going to binding arbitration, and they can go to binding arbitration.

So if you are for the postal workers, the clerks and the carriers, and for postal reform and for moving our mail better, you will vote down this motion to recommit and pass this bill.

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

Mr. HAYS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman and members of the committee, I am not going to take the full 5 minutes, but I just want to comment on a couple of things.

The gentleman from Arizona said that he called the leaders of the union to find out what the men want. Well, that is probably the last place in the world you ought to call, because I think the history of the last few months in this country

shows that most unions are not following their leaders.

Now, what these men want is a pay increase, and they do not want to be delivered to some political committee or commission who will say from here on out what they can do, and what they cannot do, how they will be hired, how they will be fired, and so forth.

And if you think you are taking this thing out of politics, let me tell you that you cannot take anything out of politics when somebody has to appoint a commission, and that somebody is in politics—I am sure you can guess who I am talking about.

The CHAIRMAN. The question is on the committee amendment, as amended. The committee amendment, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. PRICE of Illinois, 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. 17070) to improve and modernize the postal service, to reorganize the Post Office Department, and for other purposes, pursuant to House Resolution 1077, 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.

Is a separate vote demanded on any amendment to the Committee amendment adopted in the Committee of the Whole? If not, the Chair will put them en gros.

The amendments were 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.

The SPEAKER. The question is on the passage of the bill.

MOTION TO RECOMMIT

Mr. GROSS. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. GROSS. I am, Mr. Speaker, in its present form.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. GROSS moves to recommit the bill, H.R. 17070, to the Committee on Post Office and Civil Service with instructions to report the same back forthwith with the following amendment: Strike out all after the enacting clause and insert in lieu thereof the following:

"Sec. 1. (a) The Postmaster General, under regulations made by him, shall increase the rates of basic compensation and basic pay of employees of the Post Office Department so that such rates will equal, as nearly as practicable, 108 per centum of the rates of basic compensation and basic pay in effect immediately prior to the date of enactment of this Act. Such increases shall take effect on the first day of the first pay period which begins on or after April 16, 1970. This section does not apply to employees in positions in the Executive Schedule.

"(b) Retroactive pay, compensation, or salary shall be paid by reason of this Act

only in the case of an individual in the service of the United States (including service in the Armed Forces of the United States) on the date of enactment of this Act, except that such retroactive pay, compensation, or salary shall be paid—

"(1) to an officer or employee who retired, during the period beginning on the first day of the first pay period which began on or after April 16, 1970, and ending on the date of enactment of this Act, for services rendered during such period; and

"(2) in accordance with subchapter VIII of chapter 55 of title 5, United States Code, relating to settlement of accounts, for services rendered, during the period beginning on the first day of the first pay period which began on or after April 16, 1970, and ending on the date of enactment of this Act, by an officer or employee who died during such period."

Such retroactive pay, compensation, or salary shall not be considered as basic pay for the purposes of subchapter III of chapter 83 of title 5, United States Code, relating to civil service retirement, or any other retirement law or retirement system, in the case of any such retired or deceased officer or employee.

(c) For the purposes of this section, service in the Armed Forces of the United States, in the case of an individual relieved from training and service in the Armed Forces of the United States or discharged from hospitalization following such training and service, shall include the period provided by law for the mandatory restoration of such individual to a position in or under the United States Government.

(d) For purposes of determining the amount of insurance for which an individual is eligible under chapter 87 of title 5, United States Code, relating to group life insurance for Government employees, all changes in rates of pay, compensation, and salary which result from the enactment of this section shall be held and considered to become effective as of the date of such enactment.

SEC. 2. Section 3552(a) of title 39, United States Code, is amended to read as follows:

"(a) (1) Each employee subject to the Postal Field Service Schedule and each employee subject to the Rural Carrier Schedule who has not reached the highest step for his position shall be advanced successively to the next higher step as follows:

"(A) to steps 2, 3, 4, 5, 6, and 7—at the beginning of the first pay period following the completion of 26 calendar weeks of satisfactory service; and

"(B) to steps 8 and above—at the beginning of the first pay period following the completion of 52 calendar weeks of satisfactory service.

"(2) The receipt of an equivalent increase during any of the waiting periods specified in this subsection shall cause a new full waiting period to commence for further step increases.

"(3) An employee subject to the Postal Field Service Schedule who returns to a position he formerly occupied at a lower level may, at his request, have his waiting periods adjusted, at the time of his return to the lower level, as if his service had been continuous in the lower level."

SEC. 3. Section 2 of this Act shall become effective on the first day of the first pay period which begins on or after January 1, 1971.

Mr. GROSS (during the reading). Mr. Speaker, I ask unanimous consent that the motion to recommit be considered as read and printed in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

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. GROSS. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 77, nays 307, not voting 45, as follows:

[Roll No. 179]

YEAS—77

Alexander	Gialmo	Price, Ill.
Anderson, Calif.	Gonzalez	Pucinski
Annunzio	Gray	Rarick
Ashbrook	Gross	Rees
Ashley	Hanna	Roberts
Baring	Hansen, Wash.	Rostenkowski
Barrett	Hathaway	Ryan
Brooks	Hays	Saylor
Burke, Mass.	Hollifield	Scherle
Burleson, Tex.	Johnson, Calif.	Shipley
Burton, Calif.	Karsh	Sisk
Byrne, Pa.	Kazen	Skubitz
Cabell	Kee	Slack
Carey	Landgrebe	Smith, Iowa
Carter	Lowenstein	Staggers
Casey	McEwen	Sullivan
Culver	Mikva	Teague, Tex.
de la Garza	Miller, Ohio	Thompson, N.J.
Delaney	Mink	Vanik
Dingell	Mollohan	Vigorito
Edwards, Calif.	Murphy, Ill.	Watson
Elberg	Myers	Whitten
Flood	Natcher	Wright
Ford	Patman	Yates
William D. Gallagher	Perkins	Young
	Pickle	
	Poage	

NAYS—307

Abbott	Cohelan	Grover
Abernethy	Collier	Gubser
Adair	Collins	Gude
Adams	Colmer	Hagan
Addabbo	Conable	Haley
Albert	Conte	Halpern
Anderson, Ill.	Conyers	Hamilton
Anderson, Tenn.	Corbett	Hammer-
Andrews, Ala.	Corman	schmidt
Andrews, N. Dak.	Coughlin	Hanley
Arends	Crane	Hansen, Idaho
Aspinall	Cunningham	Harrington
Ayres	Daniel, Va.	Harsha
Beall, Md.	Davis, Ga.	Harvey
Belcher	Davis, Wis.	Hastings
Bell, Calif.	Denny	Hechler, W. Va.
Bennett	Dennis	Heckler, Mass.
Berry	Derwinski	Helstoski
Betts	Devine	Henderson
Bevill	Dickinson	Hicks
Biaggi	Diggs	Hogan
Biester	Donohue	Horton
Bingham	Dorn	Hosmer
Blackburn	Dowdy	Howard
Blanton	Downing	Hungate
Blatnik	Dulski	Hunt
Boggs	Duncan	Hutchinson
Boland	Dwyer	Ichord
Bolling	Eckhardt	Jacobs
Bow	Edmondson	Jarman
Brademas	Edwards, Ala.	Johnson, Pa.
Brasco	Edwards, La.	Jonas
Brinkley	Esch	Jones, Ala.
Brock	Eshleman	Jones, N.C.
Broomfield	Evans, Colo.	Jones, Tenn.
Brotzman	Evins, Tenn.	Kastenmeier
Brown, Calif.	Fallon	Kleppe
Brown, Mich.	Fascell	Koch
Brown, Ohio	Feighan	Kuykendall
Broyhill, N.C.	Findley	Kyl
Buchanan	Fish	Kyros
Burke, Fla.	Fisher	Landrum
Burlison, Mo.	Flynt	Langen
Burton, Utah	Flowers	Latta
Button	Flynt	Leggett
Byrne, Wis.	Ford, Gerald R.	Lennon
Caffery	Fountain	Lloyd
Camp	Fraser	Long, La.
Cederberg	Frelinghuysen	Long, Md.
Celler	Frey	Lujan
Chamberlain	Friedel	Lukens
Chappell	Fulton, Pa.	McClure
Chisholm	Fulton, Tenn.	McClure
Clancy	Galifianakis	McClulloch
Clausen, Don H.	Garmatz	McDonald, Mich.
Clawson, Del	Gibbons	McFall
Clay	Gilbert	McKneally
Cleveland	Goldwater	Macdonald, Mass.
	Goodling	Madden
	Green, Oreg.	Mahon
	Green, Pa.	
	Griffin	

Mailliard
Mann
Marsh
Martin
Mathias
Matsunaga
May
Mayne
Meeds
Meicher
Meskill
Michel
Miller, Calif.
Mills
Minish
Minshall
Mize
Mizell
Monagan
Montgomery
Moorhead
Morgan
Morse
Morton
Mosher
Moss
Murphy, N.Y.
Nelsen
Nichols
Nix
Obey
O'Hara
O'Konski
Olsen
O'Neal, Ga.
O'Neill, Mass.
Ottinger
Passman
Patten
Pepper
Pettis
Philbin
Pike

Pirnie
Podell
Poff
Powell
Preyer, N.C.
Pryor, Ark.
Purcell
Quile
Quillen
Randall
Reid, Ill.
Reid, N.Y.
Reifel
Reuss
Rhodes
Riegle
Rivers
Robison
Rodino
Roe
Rogers, Colo.
Rogers, Fla.
Rooney, Pa.
Rosenthal
Roth
Ruppe
Ruth
St Germain
Sandman
Satterfield
Schadeberg
Scheuer
Schneebeli
Scott
Sebelius
Shriver
Sikes
Smith, Calif.
Smith, N.Y.
Snyder
Springer
Stafford
Stanton

NOT VOTING—45

Bray	Griffiths	Pollock
Bush	Hall	Price, Tex.
Clark	Hawkins	Rallsback
Cowger	Hébert	Rooney, N.Y.
Cramer	Hull	Roudebush
Daddario	Keith	Roybal
Daniels, N.J.	King	Schwengel
Dawson	Kirwan	Stuckey
Dellenback	Kluczynski	Ullman
Dent	McCarthy	Wiggins
Erlenborn	McCloskey	Wilson,
Farbstein	McDade	Charles H.
Foreman	McMillan	Wyatt
Fuqua	MacGregor	Wyllie
Gaydos	Nedzi	
Gettys	Pelly	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Hall.
Mr. Ullman with Mr. Pelly.
Mr. Stuckey with Mr. Bray.
Mr. Dent with Mr. McDade.
Mr. Daniels of New Jersey with Mr. King.
Mr. Gettys with Mr. Price of Texas.
Mr. Farbstein with Mr. Pollock.
Mr. McMillan with Mr. Cowger.
Mr. Fuqua with Mr. Cramer.
Mr. Kluczynski with Mr. Erlenborn.
Mr. Hull with Mr. Foreman.
Mr. McCarthy with Mr. Bush.
Mr. Clark with Mr. Keith.
Mr. Nedzi with MacGregor.
Mr. Daddario with Mr. Rallsback.
Mr. Gaydos with Mr. Wyllie.
Mrs. Griffiths with Mr. Wiggins.
Mr. Roybal with Mr. Schwengel.
Mr. Charles H. Wilson with Mr. Wyatt.
Mr. Kirwan with Mr. Roudebush.
Mr. Dellenback with Mr. McCloskey.
Mr. Dawson with Mr. Hawkins.

Messrs. KARTH, EDWARDS of California, and PRICE of Illinois changed their votes from "nay" to "yea."

Messrs. HALPERN, PHILBIN, and BUTTON changed their votes 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. DULSKI. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 360, nays 24, not voting 45, as follows:

[Roll No. 180]

YEAS—360

Abbott	Dickinson	Kazen
Abernethy	Diggs	Kee
Adair	Donohue	Kleppe
Adams	Dorn	Koch
Addabbo	Dowdy	Kuykendall
Albert	Downing	Kyl
Alexander	Dulski	Kyros
Anderson, Ill.	Duncan	Landrum
Anderson, Tenn.	Dwyer	Langen
Andrews, Ala.	Eckhardt	Latta
Andrews, N. Dak.	Edmondson	Leggett
Annunzio	Edwards, Ala.	Lennon
Arends	Edwards, Calif.	Lloyd
Ashley	Edwards, La.	Long, La.
Aspinall	Elberg	Long, Md.
Ayres	Esch	Lowenstein
Baring	Eshleman	Lujan
Barrett	Evans, Colo.	Lukens
Beall, Md.	Evins, Tenn.	McClure
Belcher	Fallon	McClure
Bell, Calif.	Fascell	McClulloch
Bennett	Feighan	McDonald, Mich.
Berry	Findley	McEwen
Betts	Fish	McFall
Bevill	Fisher	McKneally
Biaggi	Flood	Macdonald, Mass.
Biester	Flowers	Madden
Bingham	Flynt	Mailliard
Blackburn	Foley	Mann
Blanton	Ford, Gerald R.	Marsh
Blatnik	Ford,	Martin
Boggs	William D. Fountain	Mathias
Boland	Fraser	Matsunaga
Bolling	Frelinghuysen	May
Bow	Frey	Mayne
Brademas	Friedel	Meeds
Brasco	Fulton, Pa.	Melcher
Brinkley	Fulton, Tenn.	Meskill
Brock	Galifianakis	Michel
Broomfield	Gallagher	Mikva
Brotzman	Garmatz	Miller, Calif.
Brown, Calif.	Gibbons	Miller, Ohio
Brown, Mich.	Gilbert	Mills
Brown, Ohio	Goldwater	Minish
Broyhill, N.C.	Gonzalez	Minshall
Buchanan	Goodling	Mize
Burke, Fla.	Gray	Mizell
Burlison, Mo.	Green, Oreg.	Mollohan
Burton, Utah	Green, Pa.	Monagan
Button	Griffin	Montgomery
Byrne, Wis.	Grover	Moorhead
Caffery	Gubser	Morgan
Camp	Gude	Morse
Cederberg	Hagan	Morton
Celler	Haley	Mosher
Chamberlain	Halpern	Moss
Chappell	Hamilton	Murphy, Ill.
Chisholm	Hammer-	Murphy, N.Y.
Clancy	schmidt	Myers
Clausen, Don H.	Hanley	Natcher
Clawson, Del	Hanna	Nelsen
Clay	Hansen, Idaho	Nichols
Cleveland	Hansen, Wash.	Nix
	Harrington	Obey
	Harsha	O'Hara
	Harvey	O'Konski
	Hastings	Olsen
	Hathaway	O'Neal, Ga.
	Hays	O'Neill, Mass.
	Hechler, W. Va.	Ottinger
	Heckler, Mass.	Passman
	Helstoski	Patten
	Henderson	Pepper
	Hicks	Perkins
	Hogan	Pettis
	Hollifield	Philbin
	Horton	Pickle
	Hosmer	Pike
	Howard	Pirnie
	Hungate	Podell
	Hunt	Poff
	Hutchinson	Powell
	Ichord	Preyer, N.C.
	Jacobs	Price, Ill.
	Jarman	Pryor, Ark.
	Johnson, Calif.	Pucinski
	Johnson, Pa.	Quile
	Jonas	Quillen
	Jones, Ala.	Randall
	Jones, N.C.	Rees
	Jones, Tenn.	Reid, Ill.
	Karsh	
	Kastenmeier	

Reid, N.Y.	Slack	Van Deerlin
Reifel	Smith, Calif.	Vander Jagt
Reuss	Smith, Iowa	Vanik
Rhodes	Smith, N.Y.	Vigorito
Riegle	Snyder	Waggonner
Rivers	Springer	Waldie
Robison	Stafford	Wampler
Rodino	Staggers	Watkins
Roe	Stanton	Watts
Rogers, Colo.	Steed	Weicker
Rogers, Fla.	Steiger, Ariz.	Whalen
Rooney, Pa.	Steiger, Wis.	Whalley
Rosenthal	Stephens	White
Rostenkowski	Stokes	Whitehurst
Roth	Stratton	Widnall
Ruppe	Stubblefield	Williams
Ruth	Sullivan	Wilson, Bob
St Germain	Symington	Winn
Sandman	Taft	Wold
Satterfield	Talcott	Wolff
Schadeberg	Taylor	Wylder
Scheuer	Teague, Calif.	Wyman
Schneebeli	Thompson, Ga.	Yates
Sebellius	Thompson, N.J.	Yatron
Shipley	Thomson, Wis.	Zablocki
Shriver	Thomson	Zion
Sikes	Tunney	Zwach
Sisk	Udall	

NAYS—24

Ashbrook	Mahon	Scherle
Brooks	Mink	Scott
Burleson, Tex.	Patman	Skubitz
Burton, Calif.	Poage	Teague, Tex.
Cabell	Rarick	Watson
Dingell	Roberts	Whitten
Gross	Ryan	Wright
Landgrebe	Saylor	Young

NOT VOTING—45

Bray	Gettys	Pollock
Bush	Griffiths	Price, Tex.
Clark	Hall	Railsback
Cowger	Hawkins	Rooney, N.Y.
Cramer	Hébert	Roudebush
Daddario	Hull	Roybal
Daniels, N.J.	Keith	Schwengel
Dawson	King	Stuckey
Dellenback	Kirwan	Ullman
Dent	Kluczynski	Wiggins
Devine	McCarthy	Wilson
Erlenborn	McDade	Charles H.
Farbstein	McMillan	Wyatt
Foreman	MacGregor	Wylie
Fuqua	Nedzi	
Gaydos	Pelly	

So the bill was passed.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Hall.
Mr. Ullman with Mr. Pelly.
Mr. Stuckey with Mr. Bray.
Mr. Dent with Mr. McDade.
Mr. Daniels of New Jersey with Mr. King.
Mr. Gettys with Mr. Price of Texas.
Mr. Farbstein with Mr. Pollock.
Mr. McMillan with Mr. Cowger.
Mr. Fuqua with Mr. Cramer.
Mr. Kluczynski with Mr. Erlenborn.
Mr. Hull with Mr. Foreman.
Mr. McCarthy with Mr. Bush.
Mr. Clark with Mr. Keith.
Mr. Nedzi with MacGregor.
Mr. Daddario with Mr. Railsback.
Mr. Gaydos with Mr. Wylie.
Mrs. Griffiths with Mr. Wiggins.
Mr. Roybal with Mr. Schwengel.
Mr. Charles H. Wilson with Mr. Wyatt.
Mr. Kirwan with Mr. Roudebush.
Mr. Dellenback with Mr. Devine.
Mr. Dawson with Mr. Hawkins.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AUTHORIZING CLERK TO MAKE TECHNICAL AND CONFORMING CORRECTIONS IN ENGROSSMENT OF BILL H.R. 17070

Mr. DULSKI, Mr. Speaker, I ask unanimous consent that the Clerk, in the engrossment of the bill, be authorized and directed to make such changes in section numbers, cross references, and other

technical and conforming corrections as may be required to reflect the actions of the House.

The SPEAKER pro tempore (Mr. ALBERT). Without objection, it is so ordered.

There was no objection.

GENERAL LEAVE TO EXTEND

Mr. DULSKI, Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

POSTAL REFORM, STEP FORWARD

(Mr. DULSKI asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. DULSKI, Mr. Speaker, the action of the House today in passage of H.R. 17070 is a long step toward much-needed improvement in the postal service.

The bill creates a new independent agency which will have flexibility in management of the postal service. The postal service cannot operate effectively without the control of finances, control of transportation, and control of operational improvements, which are provided in this measure.

As I said in my remarks opening general debate on Tuesday, this is a most comprehensive matter. The extensive debate in our committee over 14 months and during 3 days on the House floor is clear evidence of the ramifications involved.

This bill is a pioneering step in the modification and improvement of the one public service which, like no other, affects every single citizen of our great country.

I am proud of the reform product which has been approved by the House.

An integral part of the measure is the well deserved combination 8-percent retroactive pay increase for the postal employees, plus a long overdue revision of the grade advancement system. Instead of 21 years, this bill would permit employees to reach the top of their grade in 8 years.

The final version of the legislation will be determined, of course, by the later action of the other body and a House-Senate conference, if necessary. I am hopeful for an early resolution of this vital matter by the Congress.

AMENDING SECTION 703(b) OF TITLE 10, UNITED STATES CODE, H.R. 16298

Mr. PHILBIN, Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 16298) to amend section 703(b) of title 10, United States Code, to extend the authority to grant a special 30-day leave for members of the uniformed services who voluntarily extend their tours of duty in hostile fire areas, with a 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:

On page 1, line 5, strike out "1971" and insert "1972".

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

(Mr. PHILBIN asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. PHILBIN, Mr. Speaker, the action is necessary to correct a printer's error.

The bill as introduced and reported without amendment contained the date "June 30, 1972." The printer unfortunately set up the date as "June 30, 1971."

The House passed the bill on the Consent Calendar on June 15, 1970. The Senate, in acting on the House bill corrected the printer's error.

LEGISLATIVE PROGRAM

(Mr. GERALD R. FORD asked and was given permission to address the House for 1 minute.)

Mr. GERALD R. FORD, Mr. Speaker, I have asked for this time for the purpose of asking the distinguished majority leader about the program for next week.

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

Mr. GERALD R. FORD. I yield to the gentleman.

Mr. ALBERT. In response to the inquiry of the distinguished minority leader, we have finished the program for the week and we will ask to go over until Monday upon the announcement of the program for next week.

The program for next week is as follows:

Monday is District Day. There are no District bills.

In addition to the bills listed on the program, the gentleman from Arkansas (Mr. MILLS) has advised that he will call up under unanimous consent bills previously announced and unanimously reported from the Committee on Ways and Means.

Those bills have been printed in the RECORD.

There are four conference reports that we expect to be called up Monday and for the benefit of Members, they have been listed on the whip notice. They are as follows:

H.R. 16516, National Aeronautics and Space Administration Act, 1971;

S. 743, to authorize the Touchet division, Walla Walla project, Oregon-Washington;

S. 2062, differentiation between private and public ownership of lands, Federal reclamation law; and

H.R. 17138, District of Columbia policemen, firemen, and teachers salary increases.

In addition to the conference reports, we have programed the bill (S. 2315) to restore the Golden Eagle program—under an open rule with 1 hour of debate.

On Tuesday there is scheduled H.R. 11833, Resource Recovery Act of 1970, under an open rule with 1 hour of debate.

We think this is the least controversial bill of the week and that is the day of the New York and other primaries.

On Wednesday we have scheduled:

House Joint Resolution 1264, continuing appropriations for fiscal year 1971; and

H.R. 18127, Public Works and Atomic Energy Commission appropriations bill, fiscal year 1971.

For Thursday and the balance of the week:

H.R. 17495, Emergency Home Finance Act of 1970 under an open rule with 2 hours of debate; and

H.R. 8298, water carrier freight mixing rule under an open rule with 2 hours of debate.

This announcement is made subject to the usual reservation that conference reports may be brought up at any time and any further program will be announced later.

ADJOURNMENT OVER TO MONDAY, JUNE 22, 1970

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER pro tempore (Mr. MATSUNAGA). Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

DISPENSING WITH BUSINESS, IN ORDER UNDER THE CALENDAR WEDNESDAY RULE ON WEDNES- DAY NEXT

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that business in order under the Calendar Wednesday Rule may be dispensed with on Wednesday next.

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

There was no objection.

FOURTH OF JULY RECESS

Mr. ALBERT. Mr. Speaker, may I further advise the Members of the House that for the Fourth of July recess we shall adjourn at the close of business on the Wednesday preceding July 4, which is July 1, and we will reconvene at noon on Monday, July 6.

I had hoped to have more definite information about an August recess, but I am unable to say any more at this time. It depends partially on the status of our business. If the business of the House will allow, we do expect to have a recess during the last part of August and early September.

LESS TALK, MORE ACTION ON CAMPUS DISORDER

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

Mr. SCHERLE. Mr. Speaker, over the weekend, President Nixon announced the creation of another commission to study the causes of campus unrest. The people of this Nation are sick and tired of commissions, boards, and panels established to seek the causes of student disorders. They have waited long and patiently while one blue-ribbon committee after another met, investigated the problem and issued their reports. The American Bar Association appointed a panel to study it. Sol Linowitz headed a special educators' committee charged with investigating it. The President's own aides fanned out across the United States in a concerted effort to bring back first-hand impressions from the Nation's campuses. Numerous individual educators and experts on social relations have passed judgment on the situation. Congressional committees have heard volumes of testimony on the subject. Now we have another commission—why? Shelves are filled with reports, voluminous collections of facts and figures, gathering dust. Not one page of them tells what is really needed: A short, simple, four-letter word spelled g-u-t-s. Guts to discipline. Guts to expel.

We have had enough talk. The American public wants a tangible expression of authority and the determination to use it. In short, they want action. All the investigation, reflection, analysis, and publication of conclusions have not solved, and cannot erase, the problem of student unrest. It continues to grow unabated. The causes multiply, the occasions vary, but the tactics of the militants and the havoc they wreak remain the same. It should be clear to the administration by now just who and what is causing campus disorders and why. Another fact-finding commission is just an excuse to procrastinate further and do nothing constructive to prevent future disturbances.

We do not yet know what conclusions this commission will reach. But a recent public statement by one of its newly appointed members, Joseph Rhodes, Jr., a 22-year-old Harvard student, gives some inkling of the way its biases may tend. He was quoted in the New York Times as saying that he wanted to know whether the law enforcement officers were "thinking about 'campus bums' when they pulled the trigger." Upon reading that, Vice President AGNEW demanded that Mr. Rhodes resign, saying he had impugned his own objectivity by that statement.

Whatever conclusions the commission may reach, they should not obscure the fundamental need for physical safety and security on the campus at a minimum, so that the university can conduct its proper business of education—not political revolution or social reform, but education—without debilitating and destructive disruptions.

I have proposed a bill to encourage colleges and universities to adopt rules governing the conduct of students, to assist such institutions in their efforts to prevent and control campus disorders. This legislation would simply require any institution of higher education which receives Federal aid to file with the Commissioner of Education a plan for deal-

ing with them. Failing this, it would not be eligible for continued financial assistance from the Government.

The liberals, who feel that any such legislation is "inimical to the spirit of free inquiry,"—as if bombings, burnings, and strikes were not—oppose my bill. They are willing to bottle up badly needed higher education authorizations in order to prevent the attachment of such an amendment. It is unfortunate that a provision like this is necessary, but it is apparent that college administrators need stronger incentive to deal firmly with those who break the law on campus.

Timidity, appeasement, and capitulation on the part of lawful authorities only encourages further intimidation and blackmail and increased violence from the rebels. No one says, "No"—except the American people, and who speaks for them in the halls of academe? General laxity and permissiveness have brought shame and frustration on those who should know the qualities necessary to govern. Let those in a position of authority accept the responsibility that their titles demand and provide the—almost extinct—quality of leadership needed to preserve all that we consider worthwhile in education.

As responsible legislators, therefore, concerned for the future of higher education, we should supply the required incentive. We need not wait for the findings of the latest commission on campus disorder. We can scrap them. We know the facts. We must face the issue squarely and act now to preserve the peace and stability which alone are conducive to the spirit of free inquiry.

We would also do well to shift the focus of our attention on youth, in the news media, and at the official level, away from the minority of malcontents who disturb the peace, and back to the solid majority of law-abiding young people. We must deal firmly, even sternly, with those who make a career of violent protest, yes, but we should also remember the importance of the much larger numbers of people under 30 who never make the headlines. Sixty percent of our high school graduates do not attend college, but immediately join the ranks of the hard-working taxpayers. Many of them have families, fight in Vietnam, and assume all the responsibilities of adulthood which their college contemporaries defer. Why does no one inquire about their opinions, aspirations, and political philosophies? We might learn something from them about the future of America.

OCEANSIDE, LONG ISLAND, HIGH SCHOOL'S REFUSAL TO ALLOW CONGRESSMAN LOWENSTEIN TO SPEAK AT COMMENCEMENT EX- ERCISES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. ROSENTHAL) is recognized for 30 minutes.

(Mr. ROSENTHAL asked and was given permission to revise and extend his remarks.)

Mr. ROSENTHAL. Mr. Speaker, when I assumed the oath of office in the U.S.

House of Representatives I sought out a guide of conduct that I might look to. The one I found most significant and most telling, and which I have felt would be a single light of advice and guidance to me was the remarks Edmund Burke made in the Parliament in 1774 when he considered the question of his responsibility of conscience in acting on behalf of his constituents and on behalf of what he felt was the national good. I would like briefly to read his remarks at that time:

EDMUND BURKE ON HIS CONSTITUENCY—1774

Certainly, gentlemen, it ought to be the happiness and glory of a representative to live in the strictest union, the closest correspondence, and the most unreserved communication with his constituents. Their wishes ought to have great weight with him; their opinion high respect; their business unremitted attention. It is his duty to sacrifice his response, his pleasures, his satisfactions, to theirs; and above all, ever, and in all cases, to prefer their interest to his own. But, his unbiased opinion, his mature judgment, his enlightened conscience, he ought not to sacrifice to you, to any man, or to any set of men living. These he does not derive from your pleasure; no, nor from the law and the constitution. They are a trust from Providence, for the abuse of which he is deeply answerable. Your representative owes you, not his industry only, but his judgment; and he betrays, instead of serving you, if he sacrifices it to your opinion.

And that, Mr. Speaker, is the end of a quote of very significant remarks. What it says in modern day parlance is that each of us has the singular responsibility to act according to his conscience and to have his conscience guide him in the affairs of state while at the same time taking into serious account the wishes and desires of his own constituency.

I find no higher order than to be able to suggest to my constituents the things that I have rendered judgment on and the issues which I have thought a great deal about. It seems to me the singular responsibility of a representative in this body to be able to speak to his constituents about issues on which he has a deep and undying commitment, issues which he has given a great deal of thought and attention to.

There is something, Mr. Speaker, that I do want to bring to your attention: The situation that has developed in the Fifth District of New York in Long Island that disturbs me very greatly, and I think should disturb the American people.

The chain of events began when a group of seniors at Oceanside High School in Congressman LOWENSTEIN's district asked the school administration to have Congressman LOWENSTEIN as the graduation speaker. The principal of the high school told the students to hold a referendum on the question of Congressman LOWENSTEIN speaking, and he indicated the results of the vote would be honored by the school administrator.

The students, as was their right and privilege and obligation, subsequently voted. The vote was 386 to 204 to invite the Congressman to speak to them upon the honor day of their graduation.

The school principal subsequently said that Congressman LOWENSTEIN could not speak at the graduation, and he did this on the pretext that the Congressman's

presence, by virtue of his taking unique positions at times and controversial positions at other times, would cause a "disturbance" and a "controversy" in the school district. This turnabout resulted mainly from, I am told, pressure from the local school board, the same board that had earlier in the year refused to allow Congressman LOWENSTEIN to hold on school property one of the Congressman's biweekly educational forums, at which many Representatives of this body have appeared, and representatives of all shades of the political spectrum have been invited to discuss with the community their views on topics ranging from Vietnam to consumer affairs.

Subsequently the students were then directed to submit a list of noncontroversial potential speakers, from which the principal would then make the final selection.

Having had this taste of democracy, the students found it somewhat bitter, and the senior class officers, the class valedictorian and salutatorian, and a large majority of the class, are now holding a graduation ceremony of their own. As we might expect, they have invited Congressman LOWENSTEIN to speak, and he has graciously accepted their invitation.

Frankly, Mr. Speaker, it is very, very difficult for me to understand how a school board can refuse to allow its elected Representative of that district to speak to the district students, especially when the Congressman is well known, I might suggest, for his continued efforts to channel students' energies into working within what we call the system.

(Mr. O'NEILL of Massachusetts (at the request of Mr. ROSENTHAL) was granted permission to extend his remarks at this point in the RECORD.)

Mr. O'NEILL of Massachusetts. Mr. Speaker, yesterday the Voting Rights Act was passed overwhelmingly by the House. Under your leadership and the leadership of the dean of the House, the chairman of the Judiciary Committee, we sent to the President a bill which would extend the franchise to 18-year-old citizens. I voted for this measure, as I am sure did most of my colleagues, because we have seen the intense interest of the young people of America in the political process and in policy decisions of our Government. They have asked for the right to participate fully as Americans in the decisions that affect all of us and future generations.

There has been much dissent, alienation, and dissatisfaction among the young people of our Nation. There has been some violence, and there are extremists on both sides, but the large majority of the Nation's youth is attempting to work within the system of government we now have and achieve desired goals through the constitutional means that govern us in our actions. I am sure everyone here has recently urged some high school group to participate fully in the political process, and work within our system for better programs and the changes that they favor. I know that I have done so, because I believe means are as important as ends, and because I affirm that things can be changed for

the better by working within our political system.

It is for this reason that I am greatly distressed and disappointed that Oceanside High School on Long Island has chosen to thwart the will of its student body, and has refused our colleague, the gentleman from New York, the right to speak at graduation exercises there. The facts of the case have been adequately described. The students were told that they could have a vote on whether or not to invite Congressman LOWENSTEIN. They voted overwhelmingly to do so, and the principal reneged on his promise and refused to invite the representative of that district.

I am not particularly concerned about whose decision it was, although that is of some matter, but I am appalled by the hypocrisy of this action and the double standard that the school board officials or high school officials have chosen to adopt.

We are all concerned with the rights of majorities and minorities. I have heard many people decry the actions of small groups of individuals who deny a larger number of their fellows the right to hear certain speakers, to be interviewed by certain firms, to have or not to have ROTC, or to peacefully protest. There is merit in their arguments. We must at all times protect the rights of the individual, whether he is in the minority or the majority. But to promise a group of young people the right to choose their graduation speaker, and then to deny the overwhelming choice, is contrary to every principle of democracy that we hope our children learn in school.

What do we try to teach our children? That ours is a democracy, that the majority rules, while the rights of the minority are guaranteed, that the ballot is mightier than the bullet, that political activity is more productive than violent protest, and that the only reasonable and effective means of bringing about change or a desired result is by working with the tools provided by our democracy.

In 1775, Edmund Burke, trying to convince the British Parliament of the folly of its subjugation of the American colonies, said:

Deny them this participation of freedom and you break that sole bond which originally made and must still preserve the unity of the empire.

Burke's words were proved right. He was concerned with retaining the loyalty of the Americans to the British Crown. I have no doubt, had his policy been adopted, there never would have been an American Revolution.

I am equally concerned that if we deny these freedoms to the young people of America, or to anyone in this land, we will lose their belief in our democratic system, and help to bring about a greater disruption than has been seen in this Nation since the Civil War.

A year earlier, Edmund Burke said of this same policy "it yields nothing but discontent, disorder, disobedience." Is not this an identical case? When we tell the students of America that the means exist for them to have a role in governing their own lives, and then withdraw that right, what will we engender

except discontent, disorder, and disobedience?

We have here one man or a handful of men denying a whole group the right to hear their elected Representative address them. If the adults of America, and particularly officials, do not practice democracy, it will do little good to preach democracy. All of our words will be in vain if our actions do not support them.

I am happy that the students of Oceanside High School will hold special commencement exercises so that they may hear AL LOWENSTEIN's remarks. I know that in the past he has urged students to work within the system and has told them repeatedly that peaceful and legal participation are the only real means available to those who sought change.

In June of 1969, AL LOWENSTEIN addressed the graduation class of Harvard. In that speech he decried violence. He said:

America must not be forced to choose between the change that comes with violence and the violence that comes with no change.

He implored the students and adults there to work together within the means provided by our democracy.

I know that AL will continue to plead for democratic means, but the officials of Oceanside have made his task and ours much more difficult.

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

Mr. ROSENTHAL. I am happy to yield to the gentleman from California.

Mr. McCLOSKEY. I should like to comment in that respect. I know of no Congressman in the United States, either in the House or the Senate, or no one at the White House, who has done more across this country in the last several years, as to trying to counsel students on many campuses which have been very troubled at the time to abide by the law and to continue their dissent within the law. It is inconceivable to me that any school board might consider the appearance of AL LOWENSTEIN on any campus to cause a disturbance or to contribute to controversy. I am personally familiar with a number of instances in which his presence and his counsel have prevented disturbances, and where violence or other disturbances might have occurred had he not been present.

I want to commend the gentleman for his remarks and pay my personal respects to Congressman LOWENSTEIN.

Mr. ROSENTHAL. I thank the gentleman.

Mr. Speaker, I want to tell my colleagues that within the past year Congressman LOWENSTEIN has been invited to speak, and has spoken, among other places of varied points of view and student opinion, at Notre Dame, the University of Delaware, Harvard, West Point, Auburn, Pierce Junior College, Tulane, and Stanford.

It is mystifying that after the students have democratically chosen the Congressman as their preference for a commencement speaker the administration chose to ignore the wishes of the students. Frankly, their refusal seems to me at best to be a discredit to the

democratic process and at worst an affront to the Congress of the United States, because the fact of the matter is that Congressman LOWENSTEIN has the right every day to talk when the House is in session to all 435 of us on any subject he so desires, within the rules, as opportunity permits.

I consider the refusal of a public body, supported by public taxpayers, to permit a Member of this body to appear and speak to be a direct affront to the Congress of the United States.

That in itself is enough to make me most unhappy and find their decision regrettable. But, more than that, I believe, as the gentleman from California so eloquently pointed out, I know of no Member of this House who has more of a community of interest and working relationship with the students of America than our colleague AL LOWENSTEIN.

He has gone the length and breadth of this land to preach nonviolence, to preach within the system, and to tell young people that this system can be made to work. Yet the incredible thing here is that the principal and school board of Oceanside, Long Island, who have, in my judgment, brought great discredit to the people of that community and to the State of New York, have told the young people that democracy cannot work, that their vote will be discounted, that their vote was not as good as that of the half a dozen members of the school board.

It is the most blatant example of exactly what we do not want in the United States. We want people to participate in a dialog.

My own judgment, from the things that I have done in my district, which was to try to bring people together of all views and persuasions, ideas and ideals, is that we have to find out how we can accomplish something to make this a greater nation by listening to the other fellow's point of view.

The principal at Oceanside said: "We have a closed mind and we refuse to let our Representatives discuss the issues of the day, because we may have another point of view."

Frankly, Mr. Speaker, in my 8½ years of service in this Congress I know of no more serious affront to the Constitution of the United States and to the House of Representatives.

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

Mr. ROSENTHAL. I am happy to yield to the gentleman from Minnesota (Mr. FRASER).

Mr. FRASER. Mr. Speaker, I wish to associate myself with the remarks of my colleague from New York about the incident at Oceanside High School.

Congressman LOWENSTEIN has contributed greatly to the cause of orderly democratic government in this country by his own vigorous and reasoned participation in our established system. He has gained the admiration especially of the young people of our country by the effective advocacy of those ideals and extolled the idea of freedom, justice, and nonviolence.

To deny the young people of Oceanside High School the right to hear the

gentleman from New York, after they had made their wishes known in a democratic function encouraged by the school's administration, is incomprehensible.

Congressman LOWENSTEIN's advocacy of the highest goals of our Republic deserve ever wider audiences in our view, not fewer. We expect our young people to respect our governmental processes. Preeminent is our devotion to free speech which is enshrined in the first amendment to the Constitution. We have to show young people that we mean what we say. Incidents like the one at Oceanside show, unfortunately, that the students are right in their assessment of hypocrisy in the adult world. This event demeans not Congressman LOWENSTEIN but those who prevented him from speaking.

I thank the gentleman for yielding to me.

Mr. JACOBS. Mr. Speaker, will the gentleman yield to me?

Mr. ROSENTHAL. I am glad to yield to the gentleman from Indiana.

Mr. JACOBS. I thank the gentleman for yielding and for having the devotion and decency to arrange this special order and speak out.

Mr. Speaker, Solon said:

Civilized government is impossible unless the unconcerned are as outraged as the victim.

Mr. Speaker, "And crown thy good with brotherhood from sea to shining sea." What a pity that neither of those shining seas quite reaches Oceanside High School.

The senior class, by direction of their principal, takes a vote. The overwhelming majority chooses our colleague, the Honorable ALLARD LOWENSTEIN, as their commencement speaker.

What a beautiful lesson in democracy. Put it to a vote. Accept the decision. Operate inside the system.

But, no. Apparently the high school principal tried an experiment in true democracy, but then decided to decide what was best himself—namely, the losing side.

I believe in the capacity of democracy to surmount any trials that may lie ahead, provided only that we continue to practice it in our daily lives.

Those words were spoken by David E. Lilienthal in the now famous extemporaneous Credo of Democracy. But the lesson of democracy at Oceanside seems to be that students are people too and, therefore, they should have the right to vote on the question of who is to speak to them—so long as they vote right. And "right" apparently means whatever way the school principal chooses to point his view.

The yelling yuppies who shout down the Member of Congress who is trying to speak publicly—are they really only distant cousins of narrow minded administrators who, by the stroke of a pen, prevent that Member of Congress from speaking publicly in the first place? Or are they, in fact, feuding blood brothers of his?

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

Mr. ROSENTHAL. I will be happy to yield to the gentleman from Ohio.

Mr. STOKES. Mr. Speaker, I thank the gentleman for yielding, and I would like to commend the gentleman in the well for the very excellent remarks he has made on this subject and for having taken the special order on a subject which I think is of vital importance to the American people.

Mr. Speaker, I find it rather appalling to think in these days and times that a Member of the U.S. Congress has been denied the right to speak to a group of young people who have requested his appearance at a high school in this Nation.

If we look about our Nation today we might realize that the young people of today are perhaps a little more concerned than young people have been in the past. They are not willing to listen to everyone in this country today. Fortunately, on this occasion they chose a man who, in spite of the many inequities about the American system, still believes and is dedicated and wedded to working within that particular system.

I would think that the officials of the school should have been grateful and glad to have within the premises of that building a man who is still dedicated to working within the system and who has so often been challenged by many young people around the country on various campuses as to why he still believes in a system that has in many cases been an oppressive system; one that has been degrading in many respects, and yet here is a man who has been able to admit the many inequities of our system, but yet point to the many good things about the system under which we live; a man who still believes in and loves his country very much.

I for one want to say, Mr. Speaker, that I certainly hope that our colleague, Mr. LOWENSTEIN, will avail himself of the request of a part of this group of young people to come and speak to them at some other place.

As all of us know, one's graduation memories are something that linger with one over the years. Certainly the fact that democracy did not work in this instance will always be a reminder to these young people.

Mr. ROSENTHAL. Mr. Speaker, I thank the gentleman, and I now yield to the gentleman from New York (Mr. RYAN).

Mr. RYAN. Mr. Speaker, I should like to take this opportunity to commend the gentleman from New York (Mr. ROSENTHAL) for having brought to the attention of the House the indefensible action of the school principal and the school board in Oceanside, Long Island. It is hard to believe—in fact, it is incredible that constitutional freedoms would be abridged in such fashion; that the principal of a high school would deny an opportunity to speak to any citizen whose views were sought by the students, and particularly deny it to a Member of Congress who has shown throughout his years of service to his country, both before and since he joined us in the Congress, that he is dedicated to helping students understand what our democ-

racy is all about, dedicated to working with them so that they will know that in our society there is a role for them to play in bringing about change, and to showing them how they can make their influence felt.

It is a travesty that the school officials have seen fit to suppress freedom of speech in this case, and prevent a distinguished Member of Congress from speaking. But I know that Congressman LOWENSTEIN, whom I have known for many years, will speak very eloquently at the time and place for which he has been invited, and that he will, as he does always, inspire those students to respect and honor the principles upon which this country was founded and to contribute in their future years, as the gentleman from New York (Mr. LOWENSTEIN) has done.

Mr. ROSENTHAL. I thank the gentleman.

Mr. Speaker, I now yield to the gentleman from Ohio (Mr. WHALEN).

Mr. WHALEN. Mr. Speaker, I want to thank the gentleman from New York (Mr. ROSENTHAL) for yielding me this time.

Mr. Speaker, I want to join the other Members of my party in commending the distinguished gentleman from New York (Mr. ROSENTHAL) for bringing to our attention the affront to our colleague, Congressman ALLARD K. LOWENSTEIN, by the principal of Oceanside, Long Island, High School.

In recognition of Congressman LOWENSTEIN's many contributions to his country, he was suggested as their commencement speaker by a group of Oceanside High School graduates. The seniors then were permitted by the principal to vote as to whether or not Mr. LOWENSTEIN should be their speaker. They voted that he should by a 386-to-204 margin.

After this referendum the school administration then refused to honor the graduating class decision. The reason, according to the principal, was that Congressman LOWENSTEIN's commencement appearance might cause a "disturbance."

Mr. Speaker, this represents not only a denial of free speech but, more important, smacks of hypocrisy at a time when the gap between generations is growing. As station WCBS noted in a recent editorial: "... some young people have had a taste of democracy and found it bitter. They have been told to work within a system which, in this case, did not work for them."

As a Member of Congress, I am distressed at the Oceanside High School incident. Not because Congress, as an institution, has been affronted. Rather, because one of the basic tenets of our democracy—freedom of speech—has been denied a distinguished American.

Mr. BRASCO. Mr. Speaker, I am deeply disturbed by the fact that the Oceanside School Board chose to deny Congressman LOWENSTEIN the opportunity to address Oceanside students at their commencement exercise after these same students requested him to do so and solidified their request by a 2-to-1 vote.

Some school board members in Ocean-

side are quoted as referring to Mr. LOWENSTEIN as an extremist. This kind of smear is most unfortunate and inappropriate.

If he has been extreme it has only been in behalf of his ardent support of change in America's international and national policies, but only through the democratic process.

He has urged the change of many outmoded procedures in the House of Representatives—not in the streets—but on the floor of the House.

Since the expansion of the war into Cambodia, I have personally observed Congressman LOWENSTEIN urging the thousands of students who came to Capitol Hill to take their dissent off the streets and convert it into political action.

Mr. Speaker, if that's being an extremist, he's my kind of extremist. On the other hand the school board chose to speak before checking the facts; they chose to deny the request of the graduating students made after a democratic vote; they have conveniently overlooked the right to freedom of choice and freedom of speech. Thus they have widened the gap between young America and adult America.

Under these circumstances one would have to ask the question who is extreme, Mr. LOWENSTEIN or the Oceanside School Board?

Mr. KOCH. Mr. Speaker, the school board of Oceanside High School took an action against our colleague, ALLARD K. LOWENSTEIN, which while intended to reflect negatively upon this distinguished Member from New York in fact reflects adversely on the board and actually re-ounds to the credit of Mr. LOWENSTEIN. By denying to the senior class the right to invite Representative ALLARD LOWENSTEIN to its graduation program, the school board demonstrated why it is that the young people in our country have to such a great degree lost faith in their elders. Can it be that in our country today a Representative in Congress can be deemed "persona non grata" at a graduation exercise? It does not take a sage to grasp the underlying reason why the school board acted as it did: that board intended to deny a dissenting opinion being heard on the school grounds. It happens that I concur with Representative LOWENSTEIN's opinions in opposition to the war in Vietnam, but were his opinions to be totally adverse to mine I would oppose the action of the school board in denying him, upon invitation of the students, the opportunity to give voice to his opinions.

I have no doubt but that the students more correctly represent the opinions of the Oceanside community than do the apparently milk toast school board members, fearful of having dissent aired. Their decision is more regrettable because it adds fuel to the fire of those who say that our democratic system does not permit dissent. Obviously there are times when our democratic system is degraded as it was in Oceanside, and most sadly, in this case, by those who are elected to give leadership.

The members of that Oceanside School Board, were they to be graded in a class devoted to civics, would flunk.

Mr. SYMINGTON. Mr. Speaker, I am surprised to learn that our colleague, ALLARD LOWENSTEIN of New York, has been vetoed as commencement speaker by the Oceanside, N.Y., School Board.

The freedom not to listen has become precious in many quarters of the Nation today, but we should be careful not to exercise it too frequently. Indeed, I have observed that when Mr. LOWENSTEIN speaks in this House those of his colleagues who differ with him on various issues join those who agree in listening intently to what he has to say. I think this is chiefly because he never fails to speak with eloquence and deep feeling on matters of great concern to us all.

Never may his remarks be characterized as superficial. One must accept the autonomy of school boards and other worthy institutions dedicated to the Nation's welfare. But I would include the Congress among such institutions, and if Mr. LOWENSTEIN's ideas are important enough for the Congress to hear I should think they would also warrant a hearing by high school students in the district which sent him here.

Mr. VAN DEERLIN. Mr. Speaker, the school board in charge of the Oceanside, Long Island, High School, has embarked on a strange and self-defeating course in rejecting our colleague, AL LOWENSTEIN, as a commencement speaker.

Congressman LOWENSTEIN needs no defense from me, or anybody else. While others in high places encourage polarization, he has consistently sought to keep the young and the dispossessed within the "system," by offering them encouragement and empathy. His course is a far more difficult—and responsible—one than that taken by those many politicians who respond to the disenchantment of our youth with a deaf ear or a sneer.

But someone better come to the rescue of this small-minded school board.

Americans are an essentially fair-minded people. Rather than having hurt Mr. LOWENSTEIN as the board members may have hoped with their show of pettiness and bias, it is probable they have actually helped him politically.

I guess the students at Oceanside High will just have to suffer their school board until they become voting citizens and can help elect a better one. Meanwhile, graduating seniors have made the best of a bad situation by arranging a separate, unofficial ceremony to hear Mr. LOWENSTEIN.

And this "rump" commencement, doubtless, will be remembered far longer than the regular one.

Mr. REID of New York. Mr. Speaker, I have just heard about the decision of the Oceanside school board refusing to let Congressman LOWENSTEIN speak at the commencement exercises of the Oceanside High School.

It is my understanding that the chain of events began when a group of students asked the administration of the school to invite Congressman LOWENSTEIN to deliver their graduation address. The school administration indicated hesitation at this request, but urged the students to hold a vote on the matter, and indicated that the results of the vote

would be upheld. A vote of the students was taken, and by a majority of almost 2 to 1 the Congressman was chosen as speaker.

In spite of the vote, however, the board once again refused to invite the Congressman to speak, and submitted a list of "noncontroversial" potential speakers from which the students were to choose, once again, their speaker.

In the meanwhile, the students, angered at the administration's broken promise, made arrangements for their own graduation ceremony at which the gentleman from New York (Mr. LOWENSTEIN) was to speak.

These students do not represent a tiny fringe of radicals—most likely a tiny fringe of radicals would not care to listen to a man who has dedicated his life to working within the framework of our Government for justice and equality.

Rather, these students represent a substantial majority of the graduating class at a high school in the fifth district of New York, represented by ALLARD K. LOWENSTEIN. All they were doing was working within the democratic system to choose a speaker, who happened to be their elected representative to the U.S. Congress—hardly a radical institution, although perhaps a controversial one.

I suggest that it is indeed a shame when those in a position of authority—the administration of a school, and the local school board—refuse to abide by an overwhelming majority of popular vote. Such arbitrariness offers little hope to those already questioning the responsiveness of the American system. AL LOWENSTEIN can offer them a good deal of hope, and I only wish that the school authorities could have the opportunity of hearing him.

If we are serious about encouraging young men and women to act constructively within the democratic process, we must make this possible. The alternative is alienation and divisiveness at a time when unity in this country is vitally needed.

Mr. WOLFF. Mr. Speaker, I have great respect for the young people of this Nation and their capacity to act responsibly. Thus it is that I am disappointed that the Oceanside, Long Island, School Board has denied a student request to have our colleague, the Congressman representing Oceanside, the gentleman from New York (Mr. LOWENSTEIN) speak at their high school graduation later this month.

I find it most regrettable that any Member of the Congress, whatever his political views and whether or not I happen to agree with him, should be denied the right to speak in circumstances such as these when asked by the graduating seniors. Certainly actions such as these make it more difficult to say to concerned young people that adults want an open dialog with them.

The point here is a simple one: a U.S. Congressman was invited by a group of his young constituents to speak at their high school graduation and then the school board denied that Congressman the right to speak. I am hard put to imagine any circumstances that could

justify the decision of any group to deny a Congressman the right to speak in a situation such as this.

Mr. RIEGLE. Mr. Speaker, it is distressing to learn that a man of AL LOWENSTEIN's character and national stature should be denied the opportunity to address a graduating class that, by its own election sanctioned by the school principal, indicated that he was their choice for commencement speaker. Whenever a responsible Member of the U.S. Congress is denied access to a public forum, then the freedoms of all people are eroded.

The principal's excuse that Congressman LOWENSTEIN is a political figure whose remarks might cause a "disturbance" simply do not hold water when we look at his record. Since the day he was first elected to office in this body, AL has traveled extensively throughout our country to talk to students in an effort to develop constructive answers to student complaints. Everywhere he has appeared, he has encouraged reason and calm and has argued that violence has no place in our society. He is one of a very few people who has bridged the "credibility gap" to convince young people to work within our established system in order to effectuate the changes they think America needs.

Mr. Speaker, I think it would be appropriate at this point to insert into the CONGRESSIONAL RECORD an article which appeared in the Christian Science Monitor on May 20, 1969, that testifies to AL's ability to reach students and his dedication to nonviolence as the means for expressing dissent.

The article follows:

LOWENSTEIN TAKES FIGHT TO THE CAMPUSES
(By Lucia Mouat)

WASHINGTON.—"All I want to do is shake his hand—this guy's my hero you know."

Soon the University of Maryland student with the sideburns got his wish as freshman Rep. Allard K. Lowenstein (D) of New York came zipping out of his office in a last-minute dash to the airport. With one handshake and a brief greeting later, he was off for a speaking engagement at Notre Dame University.

As leader of the "Dump Johnson" movement and a longtime articulate critic of the Vietnam war, Mr. Lowenstein is an over-30 liberal with considerable under-30 appeal. But what he says as he speaks to college campuses this spring is not always what students expect.

He assures them that change is possible without violence and disruption. And he puts the message strongly. He refers to burning buildings and spitting at university presidents as "pointless nonsense" which will not bring the war to a close or solve the nation's domestic problems "one second sooner."

"There is something between Melvin Laird and the SDS," he tells his young audiences. (The Secretary of Defense and the Students for a Democratic Society are considered at opposite poles in their view on Vietnam.)

STANDING OVATIONS

As a politician Mr. Lowenstein admits it would be easier and more natural for him to denounce violence before civic groups or on the floor of the House. Instead, he decided to "take the fight where it's at" by going straight to the campuses.

While on-campus radicals predictably try to disrupt the speeches or at least make noisy exits, Mr. Lowenstein is often given a stand-

ing ovation at the close of his remarks and often takes part in late-evening "bull sessions."

As a liberal, he carefully links his indictment of violent tactics with an impatient plea for social change. He charges that members of Congress are wasting vital time and energy by simply congratulating themselves on how virtuous they are because they are against violence and rioting.

If Congress is really eager to stamp out the disruption, he suggests, it would not allow itself to become preoccupied with cutting off scholarship aid to campus rebels but would hasten to solve some of the nation's most pressing problems.

"It's now more fashionable to denounce than approve," he says, "but if we don't get out of the current lockstep, present violence is going to get worse."

"ONLY SHOW IN TOWN"

The Congressman from Nassau County, who has taught variously at Stanford, North Carolina State University, and the City College of New York, sees his mission in campus speaking as reminding the "great majority" that they are not alone.

"There's great toleration for violence mainly because it's the only show in town," he remarked in the course of the hectic ride to the airport. "On no campus that I've visited does disruption by the Left have the support of any substantial number. But you've got to prove there are plenty of alternatives or it becomes the prevailing wind and the majority acquiesces."

He argues that the student majority, like the bulk of the American people, needs to be convinced that there is an effective choice between violence and parliamentary procedure.

"We can pull together the vast majority of Americans or we can split among ourselves and fight as to what's the acceptable way to bring change," he adds.

In this congressman's view—though he does not consider ending the war a cure-all—students around the country would do well to emulate Yale University's senior class this year in petitioning the administration to dedicate commencement activities around the goal of ending the war in Vietnam.

Mr. HARRINGTON. Mr. Speaker, it has been brought to my attention that the Oceanside, Long Island, School Board—despite the expressed wish of a majority of graduating high school seniors—has denied permission for U.S. Congressman ALLARD K. LOWENSTEIN to be the principal commencement speaker.

The reason given was that Congressman LOWENSTEIN, as a noted critic of Indochina policy, might be a "disruptive influence." The school board totally ignored Congressman LOWENSTEIN's long record of service in State and National politics and government. The Congressman has done a great public service with his unflinching opposition to the misguided war in Vietnam.

In ignoring the results of a referendum among graduating seniors, the school board provides one more example of the kind of narrowness of viewpoint that has led to many of the problems we face with our youth today. What impression of the political system are high school students to be given when they are not allowed to invite their own Congressman to speak at their commencement? I join many other Members of the House in deploring this action.

Mr. ROSENTHAL. I thank the gentlemen.

Mr. Speaker, I hope that this, what seems at the moment to be a very sad and regrettable story, has a happy ending. My optimism within the system causes me to say that.

The only happy ending that can occur here is that the school principal and administration on Oceanside will have a change of heart and when they stop to think about the history of this country and the Declaration of Independence and the first 10 amendments to the Constitution and all the great things that this land and Nation stands for that they will make a reversal of that decision.

I guess the best way to sum that up is to say that they will open the doors and the windows of that very distinguished school in Oceanside and let a little sunshine come in and then we can all breathe a little easier and the young people in Oceanside will have a refreshing whiff of what the American dream is really all about.

GENERAL LEAVE TO EXTEND

Mr. ROSENTHAL. Mr. Speaker, I ask unanimous consent that following my remarks other Members of the House may be permitted to extend their remarks on the subject of my special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

NATIONAL CATASTROPHIC ILLNESS PROTECTION ACT OF 1970

The SPEAKER pro tempore (Mr. MATSUNAGA). Under a previous order of the House, the gentleman from Maryland (Mr. HOGAN) is recognized for 20 minutes.

Mr. HOGAN. Mr. Speaker, on June 10, 1970, I introduced the "National Catastrophic Illness Protection Act of 1970," which would create a Federal health reinsurance program designed to encourage the development by the private insurance industry of policies which afford individuals extended health protection.

Eleven of my colleagues have joined with me today in reintroducing the bill. They are:

Mr. BEALL of Maryland.
Mr. BELL of California.
Mr. BUTTON of New York.
Mr. DOWDY of Texas.
Mr. FRIEDEL of Maryland.
Mr. GUDE of Maryland.
Mr. HASTINGS of New York.
Mr. HAWKINS of California.
Mr. KYROS of Maine.
Mr. PODELL of New York.
Mr. ROE of New Jersey.
Mr. WILLIAMS of Pennsylvania.

I am very pleased with the reactions thus far to this proposal, and I am sure that when the Members of the House fully understand it, they will agree that this is a very reasonable and economical approach by which the Federal Government can engender a private program to

protect all Americans against insurmountable medical expenses.

The legislation I have proposed will go a long way toward mitigating against the problems of catastrophic illness because it will stimulate our insurance industry to provide coverage that will allow any family to protect itself fully against the costs of catastrophic illness. The legislation would foster the creation of catastrophic illness—or extended care—insurance pools similar to those that have been successful in making flood insurance and riot insurance feasible.

Because all participating insurance companies would be required to promote the plan aggressively, and because we would be dealing, statistically, with a small minority of all claims, the cost per policy should be low. As more people buy this new protection as part of their health care program, thereby spreading the risk, the cost should drop even more. The Federal role would be limited to reinsuring against losses in those instances where insurance companies paid out more in benefits than they took in in premiums. As the insurance industry gained experience under the plan they would be able to sharpen their actuarial planning so that such losses should be limited, if they occur at all.

We have taken careful steps to preserve the State role in insurance administration and to allow the Secretary of Health, Education, and Welfare to participate in the actuarial review of the policy rate structure in order to assure that the rates charged for those new policies are fair to all parties concerned.

Perhaps the most attractive feature of this legislation is that it would be free of all of the constraints that are plaguing existing federally funded health care programs. We would not be overburdening an already overburdened social security system in order to finance the plan. Families who choose not to participate in the program would not be required to do so. However, on the other hand, families desiring to secure this protection would be assured of an opportunity to do so.

Under my program a deductible formula would be used to stimulate each family to provide basic health care protection. It would only be when this deductible level had been exceeded that the catastrophic insurance protection plan would be utilized. Under our formula, a family with an adjusted gross income of \$10,000 would have to either pay the first \$8,500 of medical expense or have provided themselves with \$8,500 worth of basic insurance protection to offset the deductible requirement. Coverage from existing basic health and major medical plans would generally be sufficient to satisfy this deductible amount. However, if a family with an adjusted gross income of \$10,000 incurred expenses during the period of a year that exceeded \$8,500, our catastrophic or extended care program would be available to see the family through the period of financial burden when they would ordinarily be left on their own without help.

Again, because relatively few families

would experience medical costs of this magnitude in a single year, the costs for this insurance should be quite reasonable, especially as more and more of our citizens availed themselves of its protection.

A section-by-section analysis and the bill can be found on pages 19271-19276 of the CONGRESSIONAL RECORD of June 10, 1970.

Until the complex problems of rising medical costs are resolved, most families faced with extended illness or serious injury will continue to be financially wiped out.

I submit for the information of my colleagues, an article by Jack H. Morris, appearing in the Wall Street Journal of May 7, 1970, which illustrates one such situation:

[From the Wall Street Journal, May 7, 1970]

THE COST OF ILLNESS: STAGGERING MEDICAL BILL CAN MAKE GOING ROUGH EVEN FOR THE AFFLUENT

(By Jack H. Morris)

VIRGINIA BEACH, Va.—The high cost of illness has humbled John and Betty Baines.

An exuberant, outgoing couple, their life until a few years ago was a carefree blend of conspicuous consumption, frequent parties and financial security. John was a young executive on the rise, and Betty enjoyed the social standing that John's position afforded.

Then one day nearly four years ago their two-and-a-half-year-old daughter, Karen, was strung by a bee. That was the start of a financial nightmare.

The sting triggered a disorder in Karen's kidneys, and within days her body began to swell pitifully. The kidneys were allowing toxic substances to accumulate in her blood stream, while filtering out vitally needed protein. Doctors quickly diagnosed her illness as nephrosis. Since then Karen has spent a total of 21 months in the hospital, running up medical and related bills totaling \$57,794. Her doctors say she faces yet another four years of costly medical care before she can return to normal life.

HARD-PRESSED MIDDLE CLASS

The Baineses are living with what medical authorities define as a "catastrophic illness"—one whose financial burden can be overwhelming. Such illnesses are proving increasingly painful to middle-class families, who are neither eligible for Government assistance nor financially able to meet the soaring cost of medical care on their own.

No one knows how many families face medical bills of this magnitude. But the Health Insurance Institute in New York notes that while 85% of all Americans under 65 have some medical insurance, fewer than half this number are protected by major medical policies covering prolonged illness. Furthermore, many families are covered by major medical policies that were written several years ago and carry maximum benefits of only \$5,000 to \$10,000—sums wholly inadequate to meet today's hospital costs, which reach \$100 a day in many metropolitan areas.

To be sure, most Blue Cross plans and commercial insurance companies are upgrading their coverage whenever new policies are written. But they admit that their efforts haven't closed the gap. One reason is that most people are covered under group policies negotiated by unions and management. At contract time there generally is more pressure to provide broader coverage—for such things as semiprivate rooms, visits to a doctor's office or dental care—that would affect the many than to increase payments for catastrophic illnesses affecting the few.

"It never crossed my mind that I wasn't

adequately insured," says John Baines, a craggy-faced, self-made man of 42. But as a vice president of Southern Materials Co., a large building materials concern, he confesses he faces a dilemma. "Now I know how much an illness like this can cost, but as part of management I also know we're limited in what we can pay for group insurance." As a result, he and other Southern Materials employees still are covered by a policy with a maximum of only \$10,000.

PINCHING PENNIES

The Baineses found that most of their insurance was used up during the first year of Karen's illness. Their savings have long since been replaced by mounting debt, and even with John's salary of nearly \$30,000 a year, the family has had to cut out many things to make ends meet.

"I never used to pinch pennies, and I'd look down my nose at those who did," says Betty Baines, a trim, dark-haired mother of three other children. "Lately, however, I think I'm the biggest penny-pincher in town."

Grocery bills have been pared by \$50 a month, and Betty's Easter shoes this year cost \$16, not the \$40 or more she used to pay. The Baineses have withdrawn their three sons from private school, canceled memberships in four golf, beach and country clubs, and cut their entertaining expenses and charitable contributions. John, an antique car buff, sold his 1922 Model T Ford for \$1,100 and applied the money against Karen's bills. He also has borrowed against his stock, cashed in his life insurance and no longer is the first to reach for the check when lunching with friends.

Their losses constitute a significant change in the Baineses' style of living. For instance, a neighbor and close friend who used to socialize and vacation with the Baineses says she no longer extends invitations to the couple. "It would just hurt their feelings to ask," she explains, noting that John and Betty would feel obligated to reciprocate.

Similarly, John finds his new austerity embarrassing while working with other businessmen on a committee to seek new industry for Virginia Beach or while serving as a vestryman at his Episcopal Church. He has also had to pass up a promotion that would have involved a move to Texas and a change of doctors for Karen.

THE BRIGHTER SIDE

The picture isn't entirely black, however. With a large house in one of the most fashionable areas of town, the Baineses readily admit they still live better than most families. Also, they're thankful for the care their daughter is receiving. "I also think we've grown closer together as a family," Betty adds.

In addition, they've been extremely lucky. John has wangled more money from his insurance company than he previously thought possible. The president of his company has helped him arrange loans at favorable rates. Friends and foundations have picked up some drug costs. The specialist who has worked most closely with Karen's case has never submitted a bill, and recently Johns Hopkins Hospital unexpectedly wrote off a substantial portion of the family's hospital charges.

It doesn't always work out that way, of course. The wife of a Philadelphia merchant, for example, had to transfer to a charity ward in the city hospital after her insurance benefits expired and a private hospital refused to continue her treatment. On the other hand, as hospital authorities point out, many families overwhelmed by medical bills simply refuse to pay at all. But for those families that do make the effort, a close look at the Baineses case shows the ordeal of balancing medical costs against the needs of the rest of the family.

When Karen was first admitted to the hospital in Jacksonville, Fla., where the family was then living, there was little to indicate that her stay would become a protracted one. Under terms of their insurance, the Baineses agreed to pay the first \$10 of Karen's hospital bill and 20% of anything above that. However, after six weeks of massive transfusions to replace the protein that was being lost through Karen's damaged kidney, it became apparent that more extensive treatment was needed. Karen was transferred to the University of Florida hospital in Gainesville. After another six weeks of treatment her condition still remained poor, and her parents were beginning to realize that recovery would be an agonizingly slow, expensive process. Their out-of-pocket costs to Florida doctors and hospitals alone totaled about \$4,800.

Through friends, the Baineses were introduced to Dr. Harriet Guild, a pediatrician at Johns Hopkins in Baltimore, who has devoted her life to the treatment of nephrosis. Karen was referred to Dr. Guild and Johns Hopkins. Like most patients referred to a major medical center, Karen entered the Baltimore hospital with what was by then recognized as a major illness, and with her insurance benefits, and her parents' resources, already seriously depleted.

Karen's first visit to Johns Hopkins lasted 11 months, six of them spent in isolation (not even her parents were permitted to see her). Then shortly after her release in September 1967, it was discovered that she was suffering side effects from the heavy doses of cortisone she was taking. She developed a diabetic condition and an allergy; cataracts formed in both eyes, causing total blindness.

Since then, Karen has been back to Johns Hopkins seven more times for stays of three to six weeks. Operations in the spring and fall of 1968 removed the cataracts, and with the aid of bifocals she has regained her sight. She is scheduled to return again later this month.

Financial records on her case at Johns Hopkins weigh five pounds and list charges totaling \$29,814. Of this amount, insurance has paid \$13,082. (The insurance company treated Karen's eye surgery as a separate ailment and then, after the \$10,000 limit on the kidney ailment was reached, it allowed the Baineses to reinsure their daughter and collect another \$1,000 a year).

The Baineses have paid another \$6,056 to Johns Hopkins out of their pocket. This has been in the form of monthly installments to the hospital of \$75 a month since 1967 as well as additional payments of \$1,000 or so each year from income tax refunds or borrowings. On top of this they have paid out \$3,500 to doctors in Baltimore and Virginia Beach and have been shelling out up to \$130 a month for the 32 prescriptions Karen needs to control her illnesses or to counteract the drugs that do. (The Kidney Foundation, a national group that supplies some drugs to kidney patients without charge, and a friendly druggist who sells other prescriptions at wholesale combined recently to cut the Baineses' monthly drug bill in half).

There have been other less obvious costs. Because cortisone has left Karen highly susceptible to disease, the Baineses have spent \$5,000 to install an electronic air filtering system, a humidifier and zoned heating and air-conditioning in their house. Before the illness they had a part-time maid; now they need a fulltime one (at \$230 a month) to lift Karen and help her exercise. Long periods in bed and heavy drug use have weakened Karen's legs and left her overweight. Although now six years old, she is just learning to walk with the use of parallel bars and requires frequent physical therapy sessions. She also is getting special tutoring and will need more in the future.

A few months ago the Baines were desperate. Betty, for instance, fretted over how they were going to afford college educations for their three sons, who are now aged 16, 14 and 9.

SOME LUCKY BREAKS

Then, without the Baines' knowledge, the Kidney Foundation wrote Johns Hopkins and solicited help from the hospital. By tapping a restricted endowment fund, Johns Hopkins promptly wrote off \$8,850 of the Baines bill, leaving a remaining balance of only \$1,826.

Thomas Barnes, Johns Hopkins treasurer, explains that an excessively large bill like the Baineses, which would have taken them more than 10 years to pay off even if Karen had needed no further treatment, is so discouraging that it often prompts families to quit paying altogether. So, whenever possible, the hospital uses its endowment funds to reduce bills to the point that the "guy can see some light at the end of the tunnel."

Mr. Barnes also was impressed by the way the Baineses had kept up their payments over the years without complaining about the size of Karen's bill. "Obviously we weren't dealing with some guy who was taking an irresponsible attitude toward his obligation," he says.

The write-off may not result in a loss for Johns Hopkins in the long run. Vows John Baines: "One of these days when all this is behind us, we hope we'll be in a position to help Johns Hopkins as they have helped us." The Baineses already are moving to repay their obligation to the Kidney Foundation by heading a drive to organize a local chapter in their area of Virginia.

Perhaps the Baineses' most generous benefactor, however, has been Dr. Guild, the specialist who has been Karen's principal doctor and who has never sent a bill. "If I got a bill from her for \$20,000 tomorrow, I wouldn't say a word," John confesses. But Dr. Guild says she has made it her practice to charge her patients only that amount that she can collect from their insurance. And so she has marked the Baines account as paid although in four years of intensive care she has collected only \$763.

GOVERNMENT AGENCY—CIVIL AERONAUTICS BOARD—PROTECTS INDUSTRY IT WAS ORGANIZED TO MONITOR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. McDONALD) is recognized for 10 minutes.

Mr. McDONALD of Michigan. Mr. Speaker, another Government agency has reared its inconsiderate head and taken steps to protect the industry it was organized to monitor. I am speaking of the Civil Aeronautics Board, and its recent, so-called temporary action which permits air carriers to round out our air ticket costs to the highest dollar. A recent Wall Street Journal article, in reporting on this action, used words to the effect that air travelers would not have to fuss any longer with odd dollars and cents. Well, Mr. Speaker, those odd dollars and cents amount to an additional \$50 million annually from the pockets of those who use the airlines as a means of transportation.

This irresponsible action on the part of the CAB will be effective July 1, 9 months following a 6.35-percent fare increase in October and 16 months following a 3.8-percent fare increase in February 1969. On top of those increases, July 1 will see a 3-percent ticket tax increase go into effect.

I have several questions about this re-

cent action. First, whatever happened to the board established to protect the rights of the public? And second, what sort of action is this which deliberately flaunts the policy of wage and price restraint requested Wednesday by our President?

I do not recall the President asking everyone to show restraint except the airline industry. Nor do I recall the CAB being constituted to act on the behalf of the airline industry.

If the CAB is to provide ways and means for the airlines industry to increase its revenues, perhaps the airlines industry should reciprocate by taking over some of the burdensome cost of running this Federal agency.

The CAB's promise to limit the so-called rounding up increase to 60 days is not very convincing to me. Mr. Speaker, I feel very strongly that the CAB has acted capriciously and without any kind of objective investigation against the public interest.

For the benefit of my colleagues who may not have yet read a report of this act, I am including a copy of the Wall Street Journal account for printing in the Record.

I have no further remarks at this time, Mr. Speaker. Perhaps the next time we discuss the CAB and its cavalier attitude it will be during that agency's appropriation bill.

The item follows:

CAB VOTES TO RAISE ODD-SUM AIR FARES TO NEXT EVEN DOLLAR

WASHINGTON.—Air travelers won't have to fuss any longer with paying fares with odd dollars and cents figures like \$38.42. But they will have to pay a little bit extra to avoid worrying about the odd change.

Starting July 1, airlines will round the price, including tax, upward to the next highest dollar. The Civil Aeronautics Board approved a proposal by air carriers to make this upward adjustment, averaging 43 cents, or 0.9% more a ticket. The rounding-upward process will start the same day that the ticket tax goes up to 8% from 5% under the recently enacted Airport and Airways Improvement Act.

The board specified that the rounding-off increase would last for 60 days, through Aug. 31. The time limit was specified because the change is being allowed to take effect on unusually short notice. The airlines can file later for the right to carry on the rounding-upward process on a permanent basis, with longer notice given to permit comment by the public.

In all cases, rounding off will mean a boost; if the calculated fare comes out to \$46.01, the passenger will pay \$47.

The board voted three-to-two to approve the fare-rounding proposal. Chairman Secor D. Browne and members Whitney Gilliland and John G. Adams backed it, with members Robert T. Murphy and G. Joseph Minetti dissenting.

The proposal, submitted by American Airlines, was backed by other trunk line and local-service carriers. They argued that the additional revenue was needed to offset a new basic annual aircraft registration tax of \$25 plus an added charge of 3.5 cents a pound for jets and two cents a pound for piston aircraft, applying to planes over 2,500 pounds. These charges were part of the new airport-airways package.

A CAB spokesman estimated that the 0.9% fare rise would add slightly less than \$50 million to annual airline revenue, based on 1969 traffic.

Separately, the CAB is conducting a broad

investigation of air fare structure to determine whether different levels and different approaches are in order. The board granted a 3.8% general fare increase in February 1969 and another averaging 6.35% last October. The investigation grew out of that latest boost, spurred by court action brought by a group of Congressmen protesting the increase.

OUR NEED FOR SOME CONCRETE INFORMATION ON SOUTHEAST ASIA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. FEIGHAN) is recognized for 10 minutes.

Mr. FEIGHAN. Mr. Speaker, the assigned mission of the Select Committee on U.S. Involvement in Southeast Asia is a most challenging one, and I wish the Members every possible success in their search for the information to lend some understanding of the problems at hand.

Central to all questions on Southeast Asia today is the situation in Vietnam. We have been involved there in the longest military conflict of our history. Controversy has surrounded this subject for years, and we need some clarification regarding the direction in which we are heading. This select committee in its fact finding will accomplish much in closing the present information gap on Vietnam if it can come up with some answers on the following subjects:

First. The state of training and equipping of South Vietnamese forces to ultimately displace the combat role of U.S. forces.

Second. The future prospects of the pacification program to assure stability in the villages, hamlets, and general rural areas to avoid or prevent subversion by the Vietcong cadre.

Third. Future prospects of the South Vietnam Army to successfully protect the sovereignty of a free South Vietnam Government.

An evaluation of other prospects in Vietnam, such as: First, the ability of a coalition government in Saigon to withstand political pressures, internal or external military pressures, subversion, and/or economic duress; second, the consequences, if any, of an immediate withdrawal of U.S. forces from Vietnam without endangering their security, or our role in Asia.

Some say that with our growing problems at home, there is increasing doubt that we can police the whole world, therefore, I believe we are in great need of some statement defining the strategic importance of Southeast Asia. This may clarify the basis for our being there, or not being there. Heretofore, many have been led to believe that our strategic interests in that remote area have been expressed only in terms of the geographic arc extending from Alaska, through the Aleutians, Japan, South Korea, Okinawa, Taiwan, the Philippines, and the Marianas to include Guam. This has been known as our Western Pacific strategic frontier. Do we now add all of Southeast Asia to this concept, or is Southeast Asia a strategic factor relating to an obligation under the Southeast Asia Treaty Organization?

ON THE EVENTS AT LORTON CORRECTIONAL INSTITUTIONS ON MAY 22, 23, AND 24, 1970

(Mr. ADAMS asked and was given permission to extend his remarks at this point in the RECORD, and to include extraneous material.)

Mr. ADAMS. Mr. Speaker, during the weekend of May 22-24, there were a number of disturbances at the Youth Center and the Correctional Complex at Lorton, Va. Much of the reason for the disruption at the Correctional Complex was due to a power failure which blacked out lighting, resulting in some escapes, destruction of property and fires.

Seen in perspective, the handling of these incidents was admirable. District of Columbia and local fire fighting and law enforcement personnel executed their responsibilities with a great deal of control. There was no excessive use of force and thus no danger of escalation of the disturbances. The staff and administrators of the Department of Corrections performed their duties in a cool, disciplined, and efficient fashion. Most inmates visibly resisted a minority of troublemakers by remaining noninvolved and peaceful.

Prosecutions or other disciplinary action, I have been assured by District officials, will be swift and effective.

Allegations with regard to discourtesy, misjudgment and "buck passing" on the part of Mr. John O. Boone, Superintendent of the Lorton Reformatory, are unfounded.

To place in proper perspective these incidents, I place the report to Mayor Walter Washington by Mr. Kenneth Hardy, Director, D.C. Department of Corrections, in the RECORD:

REPORT TO MAYOR WALTER E. WASHINGTON
(By Kenneth L. Hardy)

During the weekend of May 22-24, 1970, three disturbances occurred at two institutions of the District of Columbia Department of Corrections at Lorton; two of them at the Youth Center and the other at the Correctional Complex. These received widespread coverage by area news media.

Totally, fewer than 200 of the more than 1,800 inmates at both institutions who could have been involved were. Further, about only 90 actively participated in doing damage.

Thanks to good staff work and help from the Metropolitan Police Civil Disturbance Unit we have been able to identify 17 of the Youth Center leaders and their cohorts. Investigation will be continued to determine who other offenders are.

We will seek criminal prosecution where possible and take administrative disciplinary action in other cases where evidence justifies it. While the investigation is going on, most of the 17 will be transferred to the Maximum Security Unit at the Complex.

Preliminary estimates indicate damage amounted to \$670,500 (see attachment).

All the facts and other evidence available to me, both by personal observation at the events and from reports from staff members, clearly show that from correctional officers on up to superintendents of the institutions everyone acted in a cool, effective and intelligent manner. Additionally, there were many acts of individual courage that went unreported and unrecorded, particularly in controlling and extinguishing the fires Saturday night at the Reformatory.

My headquarters staff worked with those of the institutions' superintendents in a well-coordinated manner, and all of them did so with very little sleep over the three days.

I express the highest regard and esteem for these men, as well as for those of the co-operating law enforcement and fire fighting units involved. All made significant contributions to the successful resolution of the disturbances.

It should be kept in mind that while any disruption of a penal institution's normal routine is often viewed and reported as a rather total extreme of violence, the number of inmates involved was minimal—30 to 40 at the Youth Center and a few more at the Reformatory—less than one percent of the total combined population of the institutions.

It would do us all well to view the weekend's activities in this perspective. To do so speaks not only well of the correctional personnel involved and the advanced and enlightened programs and policies of the Department, but of the exercise of restraint and self-discipline of most of the inmates. The preponderant number—virtually 99%—did not get involved in any incident. On the contrary, there were a number of examples of inmates protecting others and correctional personnel.

Every official connected with penal institutions knows that when there is a light and power system failure a large number of inmates will try to get out. Of the 1,340 inmates at the Lorton Reformatory, we could have expected 50 to 200 escapes. But only five tried and only two succeeded in evading immediate capture.

To substantiate this, I cite a California minimum security facility with a population of 400 where, in 1961, under similar circumstances, nearly half of the buildings were burned and more than a dozen inmates escaped. Comparatively, at the Lorton Reformatory only 7 of 63 buildings were damaged; three of them the Reformatory's canteen and officers' assembly, the clothing issue and administrative segregation buildings, were gutted by fire. Other damage not yet adequately estimated consisted of mattress fires, window breakage, and similar vandalism.

These weekend events, as serious as they were, should not be construed as a full-scale riot. The simple fact that only a very small minority was involved, and they were incapable of and consequently unsuccessful at enlisting the inmate population in their activities, is ample evidence of that.

There were very few injuries either to inmates or correctional personnel. Four officers at the Reformatory were injured. Each was treated at a hospital and released and while they may require further medical treatment none sustained a disabling injury. Superintendent Boone and I, both, were struck by bricks. No officer was injured at the Youth Center.

Three inmates were injured at the Correctional Complex; one broke his ankle when he jumped from a second story window to escape assault by other inmates, two others received facial lacerations when they were assaulted by fellow inmates. All received medical attention.

I am aware that some other officers were slightly injured, mainly cuts and bruises caused by rocks and bricks thrown by the inmates. As I will indicate later in this report, as soon as these and other facts are reported to me I, in turn, will report them.

The whole weekend's events can possibly be best understood from a factual recitation of the chronology:

YOUTH CENTER—FRIDAY, MAY 22, 1970

At approximately 10:50 p.m. Friday, May 22, four Youth Center inmates attempted to escape. They began scaling the fence between the main gate and another watch tower. Since these four were attempting escape, warning shots were fired. This resulted in one being captured inside the fence perimeter and two between the fences. One managed to escape. None was injured.

As a lieutenant and several correctional of-

ficers were escorting the would-be escapees to control cells over 100 inmates surrounded the group, but at a distance. They began verbally harassing the officers and, as the group neared the confinement area, throwing objects, all of which fell short. Here I should point out that while the distance between the escort group and the inmates was not long, the inmates could easily have struck the officers frequently, if that was their intention.

Concurrent with this was a rapidly spreading rumor that the shots fired killed one or more of the escapees. This, we believe, set off the activity of another 30 to 40 inmates who began tossing rocks and bricks at windows. Nearly 100 were broken. There was no other damage.

This disturbance lasted less than an hour during which Superintendent A. M. Schuman and his staff, mainly using verbal persuasion, got the inmates to return to their dormitories.

This accomplished, Mr. Schuman began, and is continuing, a detailed investigation of this and the subsequent Sunday evening occurrence.

Saturday and most of Sunday, the Center continued its normal operating procedure.

LORTON REFORMATORY—SATURDAY, MAY 23, 1970

At the Reformatory, too, everything proceeded normally until a thunderstorm struck at approximately 9:47 p.m. followed by a failure of the commercially supplied power source causing the lights to go out. A recently installed, but not yet finally tested, auxiliary system also failed, leaving the facility in darkness.

Shortly after the power failure and consequent darkness, an estimated 50 inmates began to loot, vandalize and set fires; five of them attempted escape, as I mentioned earlier.

Light was restored at 10:40 p.m., but failed again at 10:52 p.m. At 11:00 p.m. a fire was reported in the laundry and, 12 minutes later, an inmate was reported to have gone over the fence between Nos. 2 and 3 towers, some distance from the main gate (No. 1 tower) which was used as the control point all that night.

At 11:15 p.m. we received the first report of an officer injured in a dormitory. Subsequently, three other officers were reported to have suffered injuries, all of which were treated at hospitals. No other injuries have as yet been reported.

The next report of a fire came at 11:25 p.m. when a blaze was detected in the mail room of the administration building. It was at this time the inmate who suffered the broken ankle sustained the injury.

From this point on, a careful log was kept of all events. It is attached to this report.

Immediately after the disorder started, we asked for help from local law enforcement and fire fighting agencies: Fairfax County Virginia Law Enforcement and Fire officials, and the D. C. National Guard which brought a lighting unit.

When the need for additional manpower was clear, at 11:50 p.m. I requested dispatch of the Metropolitan Police Civil Disturbance Unit. It arrived at 12:52 a.m. and within minutes entered the institution as fire equipment escort and protection. Earlier, while preparing to go to Lorton, I called Civil Defense (at 10:27 p.m.) and asked for a portable emergency lighting unit. The District Fire Department responded at 10:44 p.m., at which time I agreed to meet the unit at the 14th Street Bridge and provide escort to Lorton. We arrived at 11:50 p.m., at which time I called for the Civil Disturbance Unit.

After 11:00 p.m., several events were taking place concurrently. I'll deal with them separately.

First, the matter of inmate disturbance. For some time (slightly more than two

hours) inmates engaged in looting, vandalism and fire setting.

These activities resulted in destruction of three buildings: the canteen and officers' assembly, the inmate clothing issue, administrative segregation (the "punishment cells") buildings. The administrative segregation building where a number of inmates were confined was on fire. A special detail of officers went into the building and released the prisoners.

Lesser damage was done to the Control Center and Captain's office when some inmates attacked the building. Tear gas was used to disperse the attackers. Tear gas was also used to saturate the inmate Dining Hall to prevent inmates from entering it.

During the incident, a few shots were fired; once over the heads of inmates as a warning and, later, at the request of fire fighting officials, to break second-story windows to enable firemen to direct water through those windows.

Other damage included burned mattresses, broken windows and doors in dormitories and other buildings, paper and other materials in the print shop, two mail carts, television sets in the dormitories, a piece of equipment burned in the bakery and another in the laundry. Again, I am awaiting a precise dollars and cents evaluation of the damage. (See attachment).

Shortly before midnight and minutes after I arrived at 11:48 p.m., I suggested to Superintendent John Boone that he and his staff begin exhorting the inmates to go to the control area near the main gate. Immediately, almost 750 responded and subsequently the total rose to near 800.

The other 400 or so were milling about the dormitories area, apparently confused and apprehensive. Associate Superintendent Anderson McGruder and 14 officers, with the vocal encouragement of the assembled inmates, escorted this group to the athletic field.

The control of the inmate population was accomplished by 12:50 a.m. and done with cooperation of inmates and by outstanding performances by correctional personnel.

The institution thus secure, fire fighting equipment entered at 1:07 a.m. and began the difficult task of extinguishing the fires and preventing their spread.

The 1,340 inmates remained in the two areas the rest of the night. They were orderly.

A count was conducted at 9:00 a.m., May 24, when the fact was established that four had accomplished escape. (A fifth escapee had been apprehended earlier in the evening. He was captured by a Fairfax County officer.) Two of the four successful escapees were apprehended by Stafford County authorities Sunday morning. Two remain at large as of this report.

YOUTH CENTER—SUNDAY, MAY 24, 1970

We now turn to the events that occurred at the Youth Center Sunday evening, May 24. The Sunday night movie ended at 9:00 p.m. and, shortly after that, 20 to 30 inmates began to roam about the compound attempting to set fires and break windows.

Immediately, Mr. Schuman called the Metropolitan Police Civil Disturbance Unit to the Center. They were able to respond in minutes because they had not yet returned to the city from the Correctional Complex. Tear gas was used in all unoccupied buildings to keep inmates out and so they could be assembled and counted on the athletic field. Order was restored within 30 minutes.

During the disturbance, inmates managed to set fire to a bulletin board in the school and to some clothing. The damage in this disturbance was minor—under \$100—there were no injuries. The small fires were put out by Youth Center personnel almost as quickly as they were set.

That, in summary, and as I said, based on

the information available to me at this time, is substantially what happened during the weekend at the two institutions.

I am vitally interested in getting the most complete as possible accounting of what happened on Friday, Saturday and Sunday. I have ordered my staff and those of the Superintendents to make a detailed and in-depth study and report. When that is available, I will make another report.

It is well to keep in mind that inmates in the institutions operated by the Department reflect and, in a large sense, are affected by many of the attitudes and actions in today's society. They read and see what is happening in America. They are young, many undereducated, many militant, many "anti-establishment."

Events such as those at Kent (Ohio) and Jackson (Mississippi) and Augusta (Georgia) are well known to the inmates. And yet I think it reflects credit on the Department's correctional staff and programs that only the tiny minority of inmates took to violence when the thunderstorm blacked out the Reformatory and an erroneous rumor upset some of the inmates at the Center.

This fact, that the disturbances were limited by both effective action on the part of correctional personnel and inmate cooperation, testifies to the fact the D.C. Department of Corrections has been successful in deterring inmate rioting.

District of Columbia Department of Corrections, Lorton Correctional Complex—Estimate of Damages in Disturbance, May 23, 1970

(Prepared May 26, 1970)

Control building (new roof, painting, etc.)	\$35,000
Canteen and officer assembly room building	175,000
Canteen stock	70,000
Canteen equipment	6,000
Lockers (200)	12,000
Officers clothing	50,000
Inmate clothing	30,000
Clothing issue building	100,000
Window damage	5,000
Mattresses and beds	3,000
Televisions	6,000
Industrial printshop building	50,000
Laundry building (water and fire)	10,000
Industries (miscellaneous damages)	2,000
Equipment	20,000
Transportation	2,000
Personnel enterprises (cigarette machine, pool table, television, cigars)	2,500
Subtotal	578,500

Correctional Industries:	
Industries inventory	7,000
Equipment industries	50,000
Supplies and row mats	10,000
Spare parts and miscellaneous	10,000
Paint and cleaner	10,000
Clothing shop	

Rounded off	90,000
Clothing shop	1,000
Laundry—supplies and equipment	1,000

Subtotal 92,000

Grand total 670,500

¹ Preliminary rough estimate.

EXTENSION OF VOTING RIGHTS TO MILLIONS OF YOUNG CITIZENS

(Mr. BROWN of California asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. BROWN of California. Mr. Speaker democracy is not a game.

Yesterday we achieved a milestone in American history—by approving the extension of voting rights to millions of young citizens.

I believe in our younger Americans, see in them an extraordinary dedication to the basic principles of freedom, liberty, and equity upon which this Nation was founded.

Therefore, I was upset to learn of the seemingly ridiculous "game" that is now going on in Oceanside, N.Y.

To put it bluntly, I cannot imagine a Member of this body being denied the privilege of addressing a commencement exercise in his own congressional district—no matter what political views may be held by that Member.

That itself is absurd enough.

But, what worries me more at this point is the sham perpetrated upon the Oceanside High School students who were first promised a voice in choosing their commencement speaker and then denied the chance to hear the person they wanted.

To me, the issue here is not simply ALLARD LOWENSTEIN's personal and political philosophies. I believe Congressman LOWENSTEIN to be among the most forceful and energetic young leaders in this body. The feeble attempts by some persons and officials in Oceanside to link ALLARD LOWENSTEIN with violence and disruption must be written off as the work of mere crackpots; we all know how hard and diligently AL LOWENSTEIN has pressed for peace and nonviolence.

Yet, I would be just as upset if the students has chosen someone with political views completely opposed to those of ALLARD LOWENSTEIN and myself. At stake here is the principle, not the personality.

Democracy—the precious right to have a voice in the decisions affecting a person's life and the direction of his community and nation—cannot be a travesty. It cannot be granted, then pulled back whenever the decisions reached are not agreeable to the officials administering it.

I can only hope that the Oceanside students realize that democracy is—and can be—better than the perverted example they see today; I hope they do not become overly cynical about their future roles in our system.

And I urge the Oceanside officials to reconsider their position, and to very carefully analyze what they have done. The game they play benefits no one.

DIRE NEED TO UPGRADE ALL CORRECTIONAL INSTITUTIONS

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, the need for the Federal Government to provide minimum standards in the local city and State correctional institutions is dramatically pointed out in an article appearing in today's New York Times authored by Tom Wicker. I would hope that our colleagues reading that article would become cosponsors of H.R. 16794 originally introduced by our distinguished colleague from Chicago, ABNER MIKVA. The article follows:

IN THE NATION: DUE PROCESS FOR PRISONERS (By Tom Wicker)

WASHINGTON.—The office of the Attorney General of the State of New York has informed Federal Judge Constance Baker Motley that one of her decisions, "unprecedented in almost every aspect," had caused so much unrest among prisoners that it might become necessary to close the Wallkill State Prison. This is a short-sighted response to a startling, perhaps historic decision.

Judge Motley held, in a suit brought by one Martin Sostre against various state officials, that "a prisoner carries with him to prison his right to procedural due process" before the imposition of severe punishment; that prisoners "do not lose all of their rights under the Constitution when sentenced to prison"; and that "basic constitutional rights cannot be sacrificed, even in the case of prisoners, in the interest of administrative efficiency."

JUDGE MOTLEY'S RULING

So holding, on May 14, Judge Motley awarded Sostre \$25 a day for each of the 372 days he had been held in "punitive segregation" (known to movie fans as "solitary") in the Green Haven Prison; enjoined prison officials from returning him to solitary confinement without such procedural safeguards as written charges specifying the rules allegedly violated, a hearing before a "disinterested official" in which Sostre could have counsel, call witnesses and cross-examine, and a decision in writing that would include the legal basis for the punishment imposed.

CHARGE AGAINST SOSTRE

This may sound as if Judge Motley held that a prisoner could not be disciplined without a trial, and that if he was, he could be awarded damages. But in fact, Sostre, a Black Muslim serving a 30-40-year sentence, had been put into solitary confinement at Green Haven not for "violence, attempting to escape, incitement to riot, or any similar charge" but for attempting to mail legal papers he had prepared for a co-defendant who had not yet been tried. These papers were intercepted by the warden, who ordered Sostre confined in solitary from June 25, 1968, until July 2, 1969.

Under the laws of New York these 372 days of confinement also cost Sostre 124 days of "good time" credit against his original settlement. Judge Motley ruled also that solitary confinement for that long (when Sostre could not work or get training, and could have solitary recreation only after a "strip frisk" that included rectal examination) was "cruel and unusual punishment" in relation to the offense, and risked Sostre's sanity. She found that this sentence had been imposed, not because of any serious infraction of discipline, but because of Sostre's "legal and Black Muslim activities," including a threat to sue the warden. Finally, Sostre was not accorded any right at all to defend himself or appeal the confinement order, and his solitary incarceration was ended only by a Federal court order he finally obtained.

In light of these facts, it seems clear that Judge Motley, so far from attempting to give license to prisoners, was attempting to impose on prison officials some degree of fairness in their treatment of prisoners. Nor is she alone in this concern. Last March, for instance, in Rhode Island, Federal District Judge Raymond J. Pettine also came to the relief of prisoners, although not quite so sweepingly as Judge Motley was later to do.

In that case, the issue was a classification system for determining the conditions in which certain prisoners would be confined. A group held in the harshest of these conditions rebelled, and the N.A.A.C.P. Legal Defense Fund and Rhode Island legal services intervened on their behalf. As a result, Judge

Pettine—in negotiations with the prisoners' counsel and prison officials—imposed a set of regulations on the administration of the classification system. These provided some degree of "due process" for prisoners before they could be severely punished.

FOR MINIMUM STANDARDS

These lower-court decisions, if sustained, ought to be welcomed, not attacked, by law enforcement officials like the Attorney General of New York. Nowhere, after all, is crime bred more certainly and grievously than in inhumane prisons, which all too many are; nowhere is the opportunity to rehabilitate and reshape the lives of criminals more often lost than in our ineffective and insensitive "correction" system; and if those who supposedly represent decent society in these institutions fail to observe minimum standards of law and order in their treatment of inmates, why should the latter develop any respect for those standards?

No doubt unrest among prisoners and apprehension among guards and officials have been caused. But if the Motley and Pettine rulings help eliminate punitive brutality and arbitrary punishment in the prisons, they will prove to be landmarks in the national effort to reduce the incidence of crime.

ONCE A BRIGHT HOPE—AEC BEGINS TO TAKE ITS "LUMPS"

(Mr. SAYLOR asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. SAYLOR. Mr. Speaker, no longer can the Atomic Energy Commission and its congressional counterpart, the Joint Committee on Atomic Energy get away with its supersecret, ivory tower, public-be-damned attitude toward our national, natural, and human environment. As the first AEC Director has noted, "once a bright hope shared by all mankind, including myself, the rash proliferation of atomic powerplants has become one of the ugliest clouds hanging over America."

The cause of the loss of public prestige by the AEC—atomic establishment complex—is not because its 25-year-old public relations machinery is coming apart, rather, it is because the public is beginning to question the assumptions so easily and persuasively made regarding the role of nuclear power during the past two-plus decades. Safety is the big factor in the public's mind today—at last.

"We want safety" cries the public and the Atomic establishment complex answers with bigger and better advertisements. I refer you to the current two-page spread in Time magazine.

"We want safety" cries the public and yet the Atomic establishment complex does not explain why there was a delay in making public the fact that an explosion at the Enrico Fermi powerplant near Monroe, Mich., last month. In case our colleagues have forgotten, Mr. Speaker, the same plant has been shut down since 1966 because of a previous accident. And, in order to emphasize the extent of the power of the AEC in stifling bad news, I point out that the newspaper that prints "all the news that is fit to print" in its long article on the AEC of June 12 still had not mentioned the troubles at the Fermi plant.

"We want safety" cries the public and yet who can explain why so vitriolic a campaign has been launched by the Atomic establishment complex against two of the AEC's own scientists? The two scientists, Drs. John Gofman and Arthur Tamplin, have had the temerity to question the official line on radiation standards, stating in part, that if we proceed to contaminate the environment until we each receive the legally permissible dose of radiation, cancer would increase by 10 percent.

"We want safety" cries the public and the Atomic Establishment Complex does not deny that it stores radioactive wastes in less than safe containers. This startling revelation has only come to light in the past few weeks and is based on a study of AEC radioactive waste disposal facilities prepared in 1966. Part of the conclusion of the study by the National Academy of Sciences researchers was that AEC methods are woefully negligent.

"We want safety" cries the public and instead of giving the public safety, the Atomic Establishment Complex mounts a lobbying campaign in the halls of Congress to "convince" our colleagues and congressional staff personnel that during these many years of silence, the AEC has been primarily concerned with the safety of the public.

Mr. Speaker, there is no other Federal Government bureaucracy that has been granted so much quasi-official immunity from criticism as the AEC and its congressional counterpart. This era is coming to an end, thank the Lord. Perhaps now we can obtain a rational consideration of all the ramifications of the proper role of nuclear energy in our Nation's system of public priorities. One thing is for sure, Mr. Speaker, the time has passed when the public's cries for safety with nuclear material can be ignored.

ALABAMA JAYCEES ARE NO. 1

(Mr. BUCHANAN asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. BUCHANAN. Mr. Speaker, the Alabama Jaycees this year have been selected the top Jaycee chapter in the Nation, an honor fully merited because of the outstanding work these young men have done.

This is the first time in the 50 year history of the U.S. Jaycees, although I am sure it will not be the last, that the Alabama Junior Chamber of Commerce has received this award.

Our State chapter captured this recognition because of its community involvement, leadership training and membership growth and excellence of program.

Under the leadership of its dynamic and energetic president, Frank Parsons, and with the help and support of other Jaycees throughout the State, the Alabama Jaycees have undertaken a series of commendable programs.

Mr. Parsons, a native of Birmingham and a graduate of the University of Alabama and its law school, has been a Jaycee for 6 years as a member of

the suburban Birmingham Eastwood Jaycees.

He has served in every local Jaycee office and has been on the national board of directors of the U.S. Jaycees.

Under his leadership the Eastwood Jaycees recently initiated a drug abuse education program which has been adopted by the State chapter.

I commend President Parsons and the Alabama Jaycees for their concern in this and other very vital issues.

One of their highly successful projects was a massive campaign on behalf of constitutional revision. Their efforts led to the establishment of a constitutional revision commission to study the 1901 Alabama constitution which is now heavily burdened with hundreds of amendments.

The Jaycees have raised \$50,000 to establish a camp for mentally retarded youngsters and have completed a successful drive to assist the 1st Infantry Division in providing \$1,500 scholarships for the children of 1st Division soldiers killed in Vietnam.

They are also to be commended for their membership drive which resulted, within the last year, in a doubling of the membership.

Mr. Speaker, I share the delight of all the people of Alabama that the Alabama Jaycees have earned and received this recognition. They have reflected credit upon our entire State.

Never in the history of the U.S. Jaycees, and this is its 50th anniversary, has a State won twice in a row. The Alabama Jaycees are, however, firmly determined to establish just such a record in 1971.

PERSONAL STATEMENT ON SECURITIES INDUSTRIES TASK FORCE

(Mr. MOSS asked and was given permission to extend his remarks at this point in the Record.)

Mr. MOSS. Mr. Speaker, yesterday, I introduced H.R. 18109, the securities industry task force proposal to provide greater financial protection for customers of registered brokers and dealers and members of national securities exchanges. I introduced this bill solely for the purpose of having the proposal before the Congress, and my action should not be taken as an indication of endorsement of all of the provisions contained therein.

PERUVIAN UNIVERSITY PROVIDES STRONG LEADERSHIP

(Mr. SIKES asked and was given permission to extend his remarks at this point in the Record, and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, it was my great privilege to attend a special early evening ceremony at the Peruvian Embassy on June 16 where an honorary doctorate from the Inca Garcilaso de la Vega University, of Lima, Peru, was conferred upon Ambassador Fernando Berckemeyer of Peru. This inspiring occasion served to highlight significant facts about the strong leadership of the

university and its contributions during the recent crisis following the devastating earthquakes in Peru. The meeting also emphasized the importance of the warm friendship which has existed through the years between Peru and our own country.

The Ambassador spoke in moving terms of the magnificent help which the people and Government of the United States are rendering to the people of Peru in this tragic hour of their history, following the shattering earthquake which befell their country on May 31, 1970. This has been referred to by Peru's Minister of Health as "the worst catastrophe this country can remember."

Ambassador Berckemeyer further stated:

It is a particular honor for me to accept this degree from a University which bears the name of a great and illustrious Peruvian, Garcilaso de la Vega. I appreciate the introductory remarks of Dr. Guillermo Ramirez y Berrios, who is an outstanding lawyer, and a great patriot and statesman of Peru.

The University, though only established 6 years ago, already has performed a tremendous service to Peru in supplying the country with technically trained and qualified young people, reared in the finest traditions of Peru, who are dedicating themselves to the needs of our country, especially acute in this tragic hour brought about by the violent earthquake which has befallen our beloved nation and people. I congratulate the Rector, Dr. Ezequiel Sanchez Soto and General Alfredo Tepada Lapoint, President of the Consejo Superior, of the University, for their magnificent leadership and dedication to this great cause of channeling the energies and talents of our youth in the direction of service to Peru.

The rector of the Inca Garcilaso de la Vega University, Dr. Ezequiel Sanchez Soto, the President of the Consejo Superior, General Alfredo Tepada Lapoint, and a distinguished Peruvian jurist, Dr. Guillermo Ramirez y Berrios, represented the university at the Embassy ceremony. Each of them spoke of their country's deep-felt gratitude for the immediate response of the people of the United States in assisting the earthquake victims.

The rector, in his remarks paid a glowing tribute to Ambassador Berckemeyer and to the outstanding service he has rendered his country and Latin America. He emphasized that the caliber of the youth at the university is consistent with the finest traditions of Peru. He stated the demands of the country for technical expertise is great, and it is planned to augment the facilities and student body so as to adequately meet the growing needs of Peru, especially now when so much reconstruction is crucially needed.

The university, devoted to developing the technical skills so sorely needed by Peru, especially now, stands for the principles of freedom and service of youth to country. At a time when many students throughout the world are unsure of their goals and unsure of their place in society, it is comforting to know that in Peru the Inca Garcilaso de la Vega University is turning out young citizens who know their goals, who know their roles in society and understand their responsibilities to their country. The Uni-

versity Inca Garcilaso de la Vega is unique among the great universities of Latin America.

It is indeed encouraging to note this evidence of useful leadership on the part of an important institution of learning in a neighbor country and the accompanying expressions of goodwill which are directed by its personnel and by others for the United States. It is my hope that a new chapter is unfolding in U.S.-Peruvian relations as a result of the great outpouring of good will from the hearts of the people of the United States during this period of great tragedy for our friends in Peru. The historically good relations between our two countries should be restored and fortified. As one who has a particular affection for the peoples of Latin America, I am delighted that this unfolding of traditional friendship appears to be taking place.

Mr. Speaker, I am today introducing a House resolution, expressing the sentiments of the House toward the people of Peru and commending the University Inca Garcilaso de la Vega, and the other great universities of Peru, on the record of achievement which its students and graduates are establishing in building a better future for their fellow citizens and their country. In this I am joined by the distinguished gentleman from California (Mr. HANNA). The text of the resolution is as follows:

H. RES. 1102

Resolved by the House of Representatives of the United States of America in Congress assembled,

Whereas, the people of our sister Republic, Peru, suffered a devastating blow as the result of an earthquake on May 31, 1970; and Whereas, the earthquake caused the loss of thousands of lives and the destruction or devastation of many towns and villages, rendering homeless and destitute many thousands of people; and

Whereas, the people and government of the United States have opened their hearts and material resources to the needs of the people of Peru in their tragic hour of bereavement and suffering; and

Whereas, the University, Inca Garcilaso de la Vega, of Lima, Peru, and other universities and institutions of higher learning of Peru are playing an important part in meeting the reconstruction needs of that country through the full utilization of the technical skills which they have developed and through these services are demonstrating how the youth of a nation can rise to noble heights in service to their country; Therefore, be it

Resolved, That the House of Representatives extend its deepest sympathy to the President and the people of Peru in this dark hour of their suffering and distress.

SEC. 2. It is the sense of the House of Representatives that the Universidad Particular Inca Garcilaso de la Vega and other Peruvian universities and institutions of higher learning and their students, should be commended for their leadership in helping in the reconstruction of the devastated areas and in resettlement relief.

SEC. 3. It is further the sense of the House of Representatives that attention be directed in all appropriate Executive agencies to the needs of the country and the special role and requirements of the universities of Peru in rebuilding their country.

SEC. 4. Copies of the present resolution shall be distributed through appropriate channels to the President of Peru and to the heads of the universities of Peru.

GALLAGHER INTRODUCES BILL TO STRIKE "CLEARLY UNCONSTITUTIONAL LANGUAGE" FROM CIVIL SERVICE COMMISSION LAW

(Mr. GALLAGHER asked and was given permission to extend his remarks at this point in the Record, and to include extraneous matter.)

Mr. GALLAGHER. Mr. Speaker, I rise today to introduce legislation which will strike a line from the United States Code at title 5, section 8347(c). That language is:

The decisions of the Commission concerning these matters are final and conclusive and are not subject to review.

"These matters" are the retirement of Federal employees because of disability and dependency and that sentence has often been quoted as the authority for closing avenues of legal relief to people aggrieved by Civil Service Commission decisions. My bill will strike that sentence and allow the individual to file court action, including a new and independent finding of the facts at the trial.

I regard the existing language as unconstitutional on its face. In several cases which have come to my attention, it has meant that if a Federal agency, most frequently within the Department of Defense, decides that a man is disabled and the review of the Civil Service Commission concurs, he cannot turn to the courts for relief. The most recent example occurred when that sentence was quoted on May 12, 1970, by Government lawyers as a reason to throw out the case of Mr. Kenneth Cook. Mr. Cook was a civilian employee of the Air Force and was a former top level weapons systems analyst. He contends that he was involuntarily retired on a 100-percent physical and mental disability because, among other reasons, he refused to alter data in a technical report he had prepared which could have been construed as being critical of the development of the current version of the ABM.

Mr. Speaker, it seems to me that this language which restricts a man's right to employment in the Federal service and can render him unable to work for defense contractors as well, may deny our country top-flight technical expertise of an innovative and independent nature. This can be a crushing blow to an individual and can be equally harmful to our Nation as well.

We should not allow the decisions of the Commission concerning these matters are final and conclusive are not subject to review to be final and conclusive. We must subject it to the review of a concerned Congress. It can, and probably has been, used to permit what I would call house lunacy proceeding in which unpopular opinions are an invitation to a finding of disability. I do not believe that the Congress intended the Civil Service Commission to have such absolute power. Let me add that it is not my intention to have every decision made by the Civil Service Commission become the subject of a court action and I would expect that the hearings conducted on my proposal before the Congressional committees having jurisdiction would make that clear.

Mr. Speaker, I believe my bill will correct a situation which denies constitutional protections to individuals simply because they work for the Federal Government. I insert a copy of my bill and the Government's plea of May 12, 1970, in the Record at this point:

H.R. 18118

A bill to amend title 5, United States Code, to provide for judicial review of decisions of the Civil Service Commission with respect to questions of disability and dependency under the civil service retirement program, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8347(c) of title 5, United States Code, is amended—

(1) by inserting "(1)" immediately after "(c)";

(2) by striking out—

"The decisions of the Commission concerning these matters are final and conclusive and are not subject to review."; and

(3) by adding at the end thereof—

"(2) Any person aggrieved by a decision of the Commission concerning a question of disability or dependency arising under this subchapter may, within 30 days after the date of that decision, file in a district court of the United States a petition for a review of that decision, including a determination de novo of the question of disability or dependency. The petition shall name the Commission as defendant and a copy thereof shall be served on the Commission. The Commission, through its chairman, shall file with the court an answer to the petition and shall participate in the proceedings before the court. When a copy of the petition is served on the Commission, it shall, through its chairman, certify and file with the court a transcript of the record on which the decision of the Commission is based.

"(3) On the filing of, or in its consideration of, the petition, the court may issue such order or injunction as it considers necessary. In its determination de novo of the question of dependency or disability the court shall decide all questions of law and fact.

"(4) The court shall issue such order or decree affirming, modifying, or setting aside the decision of the Commission, as the court considers appropriate."

[U.S. District Court for the District of Columbia, Civil Action No. 2442-69]

KENNETH S. COOK, PLAINTIFF, v. ROBERT C. SEAMANS, ET AL., DEFENDANTS

DEFENDANTS' MOTION FOR PROTECTIVE ORDER AND OPPOSITION TO PLAINTIFF'S INTERROGATORIES TO DEFENDANTS SEAMANS AND HAMPTON

Come now defendants Seamans and Hampton by their attorney, the United States Attorney for the District of Columbia, and move the Court for a protective order under Rules 30(b) and 33, F.R.C.P., and oppose plaintiff's interrogatories to these defendants.

THOMAS A. FLANNERY,
U.S. Attorney.

JOSEPH H. HAMMON,
Assistant U.S. Attorney.
ARNOLD T. AIKENS,
Assistant U.S. Attorney.

[U.S. District Court for the District of Columbia, Civil action No. 2412-69]

KENNETH S. COOK, PLAINTIFF, v. ROBERT C. SEAMANS, ET AL., DEFENDANTS

DEFENDANT'S MOTION FOR PROTECTIVE ORDER AND OPPOSITION TO PLAINTIFF'S INTERROGATORIES TO DEFENDANTS SEAMANS AND HAMPTON

Come now defendants Seamans and Hampton by their attorney, the United States Attorney for the District of Columbia, and

move the Court for a protective order under Rules 30(b) and 33, F.R.C.P., and oppose plaintiff's interrogatories to defendants for the following reasons.

This is a suit for declaratory judgment. Plaintiff alleges his involuntary retirement from a government position for disability is invalid. The Civil Service Commission's determination on matters of disability are "final and conclusive and are not subject to review." 5 U.S.C.A. 8347. See also *Ellmore v. Brucker*, 99 U.S. App. D.C. 1, 236 F. 2d 734 (1956), cert. denied, 352 U.S. 955; *Murphy v. Wilson*, 99 U.S. App. D.C. 4, 236 F. 2d 737 (1956), cert. denied, 352 U.S. 954.

The suit thus presents solely a question of law for determination by the Court. This Court, in the proper performance of its judicial review function, is limited to conducting its review on the basis of the certified record of the Civil Service Commission. The courts are not at liberty to conduct a *de novo* judicial trial of the facts or to consider evidence proffered dehors the administrative record. *Ellmore v. Brucker*, supra. See also *Dabney v. Freeman*, 123 U.S. App. D.C. 166, 358 F. 2d 533 (1965); *Goodman v. United States*, 123 U.S. App. D.C. 165, 358 F. 2d 532 (1966); *Couch v. Udall*, 265 F. Supp. 848, 849-850, aff'd, 404 F. 2d 99 (10th Cir. 1968).

Plaintiff's interrogatories are further objectionable for the reason that those addressed to defendant Hampton, Chairman of the Civil Service Commission, seek discovery into the Commission's decision-making process. This practice has been expressly rejected by the Supreme Court. *The Fourth Morgan Case*, (United States v. Morgan, 313 U.S. 409, 422) (1941). See also *Chung Wing Ping v. Kennedy*, 111 U.S. App. D.C. 106, 108, 294 F. 2d 735, 737-738, cert. denied, 368 U.S. 938 (1961). The interrogatories also seek the results of medical reports filed with the Commission. The Commission's refusal to disclose medical reports has been consistently upheld. *Ellmore v. Brucker*, supra; *Murphy v. Wilson*, supra; *Cerrano v. Fleishman*, 339 F. 2d 929 (2d Cir. 1964), cert. denied, 382 U.S. 855. See also this Court's earlier ruling on the same subject in this case, April 17, 1970 per Judge Hart.

Plaintiff's interrogatories to defendant Seamans are objectionable for the additional reason that they seek discovery as to the withdrawal of plaintiff's need-to-know security clearance. These matters are outside the scope of the present litigation. Plaintiff's previous attempts of discovery into these matters were rejected by the pre-trial examiner February 26, 1970. The pre-trial examiner's recommendations were sustained by this Court in its order of April 17, 1970.

For the foregoing reasons, it is respectfully requested that the Court grant defendants' motion for a protective order.

T. A. FLANNERY,
U.S. Attorney.
JOSEPH M. HANNON,
Assistant U.S. Attorney.
ARNOLD T. AIKENS,
Assistant U.S. Attorney.

CERTIFICATE OF SERVICE

I hereby certify that service of the foregoing Defendants' Motion for Protective Order and Opposition to Plaintiff's Interrogatories to Defendants Seamans and Hampton has been made upon plaintiff by mailing a copy thereof to Warren Belmar, Esq., 1815 H Street, N.W., Washington, D.C. 20006, on this 12th day of May, 1970.

(S) _____

TAKE PRIDE IN AMERICA

(Mr. MILLER of Ohio asked and was given permission to extend his remarks at this point in the Record.)

Mr. MILLER of Ohio. Mr. Speaker, today we should take note of America's

great accomplishments and in so doing renew our faith and confidence in ourselves as individuals and as a Nation. The United States is the world's largest producer of soap. In 1966 the United States manufactured 525,300,000 metric tons of soap. This was 1½ times more than produced by the United Kingdom, the second-ranked nation.

MR. PATMAN PRAISES SENATOR SPARKMAN FOR THRIFT INSTITUTIONS STUDY—SAVINGS AND LOAN AND CREDIT UNIONS

(Mr. PATMAN asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. PATMAN. Mr. Speaker, one of the great pleasures and rewards of serving as chairman of the Joint Economic Committee is the association with outstanding colleagues from both sides of the aisle and from both Houses of the Congress. It is with that thought that I would like to call the attention of this body to an excellent study of thrift institution development in Latin America prepared and issued by the Joint Economic Committee's Subcommittee on Inter-American Economic Relationships, which is chaired by my distinguished colleague, Senator JOHN SPARKMAN. It is a most incisive and encouraging picture of Latin American possibilities for self-help that Senator SPARKMAN gives us in this study.

Savings and loan institutions are relatively new to Latin America and did not begin until the 1950's. By December of 1968, however, there were 105 savings and loans in various South American countries with three-quarters of a million savers, and these institutions have made loans exceeding one-third of a billion dollars.

The study shows how these associations help to improve the housing conditions of the urban middle classes and the lower middle class. Just as in other sections of the world, the cities of South America are drawing population from rural areas and they are faced with severe housing shortages in the cities. The affluent families are able to take care of their own borrowing from the banks and the very poor inhabitants get some help from subsidized public housing; but that whole range of people in between these two groups suffers from housing shortages and the thrift institutions are beginning to help them.

There are many interesting observations and insights in this fine study which I cannot discuss in detail today. I hope that my colleagues will look at Senator SPARKMAN's study. I would like to observe, however, that it points out the need for some change in the kind of aid we provide to stimulate savings and loans in Latin America. Up to now, we have followed a practice of giving "seed capital" to stimulate the growth of savings and loans in Latin America. This was obviously necessary to get them started but now the study concludes that continuation of "seed capital" loans from the United States may make such institutions too dependent on U.S. funds

and discourage them from exercising initiative in seeking capital on their own. For this reason, it is concluded that emphasis on U.S. assistance be switched to financing technical assistance for training supervisors and strengthening the management of Latin American systems and guaranteeing loans from private U.S. lenders to Latin American savings and loans.

CREDIT UNIONS

The study analyzes the credit union movement in Latin America as well as the savings and loans. The achievements of the credit unions of Latin America are impressive—all the more so since depositors in these institutions generally come from the more impoverished income groups. At the end of 1968 there were approximately 2 million Latin American depositors in 4,600 credit unions with average savings of nearly \$65 per depositor. When compared with the approximately \$100 annual monetary income of these depositors, their capacity to save is truly impressive. When we consider this average against the annual monetary income of most of these depositors, we begin to realize how powerful a media the credit union is for these people. Moreover, they have drawn most of their depositors from the poor rural groups. This means that they are protected from the usurious moneylenders who abound in Latin American countries and often charge over 100 percent.

The loans go for housing improvements, consumer durables, educational expenses, or sometimes small business activities as well as for farm operation and improvement. Sometimes the credit unions give valuable technical assistance to farmers also.

Mr. Speaker, I commend my able colleague, Mr. SPARKMAN, for this very fine study and I submit for the record, a summary of the report prepared by the subcommittee, including its major conclusions.

A SUMMARY OF "THRIFT INSTITUTION DEVELOPMENT IN LATIN AMERICA," A STAFF STUDY ISSUED BY THE SUBCOMMITTEE ON INTER-AMERICAN ECONOMIC RELATIONSHIPS OF THE JOINT ECONOMIC SUBCOMMITTEE

(Mr. PATMAN asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. PATMAN. Mr. Speaker, the study first reviews efforts to foster savings and loan systems; the experiences of savings and loans in seven countries—Bolivia, Chile, the Dominican Republic, Ecuador, Peru, El Salvador, and Brazil—are then compared in detail. The second part of the study concentrates on the development of credit unions. Credit unions are examined less intensively because they are not as complex financially as savings and loans and because they vary less throughout Latin America.

SAVINGS AND LOAN ASSOCIATIONS

Savings and loan institutions were virtually unknown in Latin America at the beginning of 1960. But as of December 1968, 105 savings and loans have been

established with 728,000 savers. These institutions had acquired over \$220 million in net savings and had made loans exceeding \$365 million.

Savings and loan associations have been founded primarily to improve the housing conditions of the urban middle and lower-middle class. As the cities have continued to draw population from rural areas, the urban housing shortage has become increasingly severe. More affluent families are generally able to afford the expensive housing credit extended by mortgage banks, and the poorest inhabitants are served by subsidized public housing programs. Thus, the middle class is the portion of the population suffering from housing shortages that is most capable of saving in thrift institutions to improve its own condition.

Throughout most of the 1960's, the United States followed a practice of giving "seed capital" loans to accelerate the growth of savings and loan systems in Latin America. If these institutions had been forced to wait for the gradual accumulation of deposits before granting housing loans to their depositors, enthusiasm towards regular saving would have built up much more slowly. But even with this assistance, the erosion of savings by inflation—in the absence of adequate protective devices—and the slow rate of mortgage repayments have tended to limit the resources of savings and loans on the one hand, and to rapidly exhaust their supplies of loanable funds on the other.

Most Latin American countries have taken a number of steps to encourage the growth of domestic savings and loan systems.

First, central housing banks have been established to supervise the activities of savings and loan systems and to distribute funds received from central governments or external lenders. Unfortunately, in many instances, the attention of these central housing banks has been diverted by charging them also with the responsibility of supervising housing assistance programs to low income classes.

Second, most countries provide insurance against bank insolvency and many have also established guidelines to readjust the value of savings deposits in an attempt to protect them from excessive rates of inflation. Generally, however, protection from inflation has been incomplete and savers have not been fully compensated for the losses they have suffered from declines in the purchasing power of their assets.

Third, a variety of attempts have been made to increase the attractiveness of mortgages as investments and to channel more funds into mortgage lending. For example, many countries are attempting to institute a standard nationwide mortgage document and to introduce systems for guaranteeing mortgages patterned after the activities of the U.S. Federal Housing Administration—FHA. Some governments are also supporting the secondary mortgage market to maintain its liquidity and encourage its development.

As a reflection of the U.S. experience, American advisers persuaded several Latin American countries to authorize

only mutual savings and loan institutions. But in those countries where stockholder-owned institutions are also permitted, such as Brazil, El Salvador and Guatemala, superior management has frequently led to faster growth and greater numbers of homes financed.

The question remains unanswered whether depositors in savings and loan institutions will continue to save as a regular habit once they have qualified for housing loans. The inconclusive evidence available suggests that, as in the United States, these individuals will continue to save even after their single initial objective has been realized. Any such conclusion must be tentative, however, since in Latin America important deterrents to saving exist that are not present in the United States, including political instability, high rates of inflation, and higher returns from other competing opportunities for investment.

The experiences of Latin American savings and loan systems during the last decade conclusively indicate that a potential for mobilizing savings to improve housing conditions does exist and can be expanded with the aid of intelligent policies and proper reforms.

The portion of the study devoted to savings and loans concludes with a number of recommendations to achieve this end: guarantee the value of deposits in savings and loans against bank failure, establish correction mechanisms that will effectively protect these assets from inflation, and alter administrative regulations to permit savings and loans to compete more vigorously against other forms of banks; amend legislation to permit the formation of stock, as well as mutual, savings and loan associations, standardize mortgage documents, provide FHA-type guarantees for mortgages, and encourage the investment of capital generated by commercial banks, insurance companies, social security trust funds, and employers in secondary mortgage markets; lift responsibility for low-income social housing programs from Government banks charged with the administration of savings and loan systems.

Continued extension of "seed capital" loans from the United States to Latin American savings and loan institutions is likely to run increasing risks of making such institutions dependent on U.S. funds and discourage them from devising new methods to aggressively seek capital on their own. Therefore, the emphasis of U.S. activities should probably be shifted from "seed capital" lending to financing technical assistance for training supervisors and strengthening the management of Latin American systems and guaranteeing loans from private U.S. lenders to Latin America savings and loans.

CREDIT UNIONS

In many respects, the achievements of credit unions in Latin America are even more impressive than the gains made by savings and loan institutions, since the depositors in credit unions are generally from the lowest and most impoverished income groups. Nevertheless, these indi-

viduals have exhibited a surprising capability to save. At the end of 1968 there were approximately 2 million Latin American depositors in 4,600 credit unions with an average savings of nearly \$65 per depositor. When compared with the approximately \$100 annual monetary income of most of these depositors, their capacity to save is truly impressive.

In contrast to savings and loan institutions, credit unions have attracted the largest proportion of their depositors from rural areas. These organizations give their members the opportunity to avoid dependence upon usurious moneylenders charging annual rates from 50 to several hundred percent, to put their savings in a safe place, and to cooperate with other members of their community in mobilizing capital for socially useful purposes.

As with savings and loans, the initial inducement to save in a credit union is to qualify for a loan. In urban areas, these loans are largely for consumer durables, housing improvements, the educational expenses of children, or small business activities. Rural borrowers, while also interested in consumer durables and better housing, apparently use the largest portion of their borrowings to buy seed, fertilizer, tools, or other agricultural inputs. In some countries, the activities of rural credit unions have been combined with technical assistance to farmers, and loans have been made contingent upon the adoption of more productive farming methods.

A few members of almost any community can decide to start a credit union; all they need is a place to dispense the services of the union and a secretary-treasurer to collect funds and keep records. When a number of credit unions have been established in a country or region, they generally find it advantageous to form an association. Such an association can obtain advice on management methods and can pool their resources to lend among one another and to obtain funds from commercial banks.

Because credit unions are so easily established once people understand the benefits derived from these organizations, the chief problems of Latin American credit unions tend to be those of increasing their resources in pace with expanding demand for their services and of efficient management as they grow. Moreover, in rural areas where credit unions have concentrated on granting agricultural production credit in conjunction with technical assistance to farmers, severe shortages of qualified advisers have developed.

Thus, the problems of credit unions have stemmed directly from their successes. While AID has granted some "seed capital" loans for credit union expansion and has more recently introduced a program of guaranteeing loans by private U.S. institutions to Latin American credit unions, the surface of the underlying need has hardly been scratched. Approximately 100 million Latin Americans are potential savers in credit unions, but only about 2 million presently use them.

Members of the Subcommittee on Inter-American Economic Relationships:

Senators JOHN SPARKMAN, Democrat, of Alabama, chairman; J. W. FULBRIGHT, Democrat, of Arkansas; ABRAHAM RIBICOFF, Democrat, of Connecticut; JACOB K. JAVITS, Republican, of New York; and LEN B. JORDAN, Republican, of Idaho.

Representatives RICHARD BOLLING, Democrat, of Missouri; HALE BOGGS, Democrat, of Louisiana; MARTHA W. GRIFFITHS, Democrat, of Michigan; BARBER B. CONABLE, Jr., Republican, of New York; and CLARENCE J. BROWN, Republican, of Ohio.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Bow (at the request of Mr. GERALD R. FORD), from 5:30 p.m. today, on account of official business.

Mr. PRICE of Texas (at the request of Mr. GERALD R. FORD), from 6 p.m. today for the balance of the week, on account of official business.

Mr. McDADE (at the request of Mr. GERALD R. FORD), from 8 p.m. today, on account of death in 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:

Mr. PATMAN, for 60 minutes, on Tuesday and Wednesday, June 23 and 24, and to revise and extend his remarks and include extraneous matter.

(The following Members (at the request of Mr. McCLOSKEY), to revise and extend their remarks and to include extraneous matter:)

Mr. HOGAN, today, for 20 minutes.

Mr. McDONALD of Michigan, today, for 10 minutes.

(The following Members (at the request of Mr. STOKES), to revise and extend their remarks and to include extraneous matter:)

Mr. FEIGHAN, today, for 10 minutes.

Mr. GONZALEZ, today, for 10 minutes.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. ADAMS.

Mr. CRANE, in the Committee of the Whole today, and to include extraneous material.

(The following Members (at the request of Mr. McCLOSKEY) and to include extraneous matter:)

Mr. DERWINSKI in two instances.

Mr. BROOMFIELD.

Mr. WYATT.

Mr. KEITH.

Mr. SCHERLE in three instances.

Mr. DUNCAN in two instances.

Mr. WYMAN in two instances.

Mr. GROVER.

Mr. RHODES.

Mr. McDADE.

Mr. STEIGER of Wisconsin.
 Mr. ZWACH.
 Mr. LANDGREBE.
 Mr. SCHNEEBELI.
 Mr. WIDNALL.
 Mr. MAYNE.
 Mr. GOLDWATER in three instances.
 Mr. PRICE of Texas in three instances.
 Mr. MICHEL.
 Mr. DEL CLAWSON.
 Mr. BURKE of Florida.
 Mr. McCLURE.
 Mr. HALPERN.
 Mr. REID of New York.
 Mr. HOGAN in two instances.
 Mr. NELSEN in two instances.
 Mr. BOW in five instances.
 Mr. ROTH.
 Mr. LUKENS.
 Mr. ROBISON in three instances.
 Mr. HALL.
 Mr. RIEGLE.
 Mr. HARVEY.
 Mr. WHITEHURST.
 Mr. ANDERSON of Illinois.
 Mr. LUJAN.
 Mr. WYDLER.

(The following Members (at the request of Mr. STOKES) and to include extraneous matter:)

Mr. MANN in five instances.
 Mr. CHARLES H. WILSON in two instances.
 Mr. FRASER in two instances.
 Mr. HANNA in two instances.
 Mrs. MINK in two instances.
 Mr. ADDABBO.
 Mr. WRIGHT.
 Mr. ANDERSON of California in three instances.
 Mr. HELSTOSKI in two instances.
 Mr. HARRINGTON in four instances.
 Mr. BOLAND.
 Mr. MOORHEAD in two instances.
 Mr. VAN DEERLIN in two instances.
 Mr. WOLFF.
 Mr. ASHLEY.
 Mr. BOGGS.
 Mrs. GRIFFITHS.
 Mr. DELANEY.
 Mr. KEE in two instances.
 Mr. KASTENMEIER in two instances.
 Mr. GAYDOS in five instances.
 Mr. NICHOLS in two instances.
 Mr. GONZALEZ in two instances.
 Mr. JONES of Tennessee.
 Mr. KOCH in three instances.
 Mr. EVINS of Tennessee.
 Mr. RARICK in five instances.
 Mr. PICKLE.
 Mr. DIGGS.
 Mr. HAGAN in two 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. 3825. An act to authorize further adjustments in the amount of silver certificates outstanding, and for other purposes; to the Committee on Banking and Currency.

ENROLLED BILLS SIGNED

Mr. FRIEDEL, from the Committee on House Administration, reported that that committee had examined and found truly

enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 4249. An act to extend the Voting Rights Act of 1965 with respect to the discriminatory use of tests, and for other purposes; and

H.R. 16731. An act to amend the provisions of title III of the Federal Civil Defense Act of 1950, as amended.

BILLS PRESENTED TO THE PRESIDENT

Mr. FRIEDEL, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H.R. 4249. To extend the Voting Rights Act of 1965 with respect to the discriminatory use of tests, and for other purposes; and

H.R. 16731. To amend the provisions of title III of the Federal Civil Defense Act of 1950, as amended.

ADJOURNMENT

Mr. STOKES. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 12 minutes p.m.), under its previous order, the House adjourned until Monday, June 22, 1970, 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:

2136. A letter from the Secretary of the Export-Import Bank of the United States, transmitting a report of activities of the export expansion facility program (Public Law 90-390) during the quarter ended March 31, 1970; to the Committee on Banking and Currency.

RECEIVED FROM THE COMPTROLLER GENERAL

2137. A letter from the Comptroller General of the United States, transmitting a report on opportunities for improvement in management of Government materials provided to overseas contractors by the Department of the Army and the Department of the Air Force; to the Committee on Government Operations.

2138. A letter from the Comptroller General of the United States, transmitting a report on inequitable charges for calibration services and the need for accounting improvements at the National Bureau of Standards, Department of Commerce; to the Committee on Government Operations.

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. KIRWAN: Committee on appropriations. H.R. 18127. A bill making appropriations for public works for water, pollution control, and power development, including the Corps of Engineers—Civil, the Panama Canal, the Federal Water Quality Administration, the Bureau of Reclamation, power agencies of the Department of the Interior, the Tennessee Valley Authority, the Atomic

Energy Commission, and related independent agencies and commissions for the fiscal year ending June 30, 1971, and for other purposes. (Rept. No. 91-1219). Referred to the Committee of the Whole House on the State of the Union.

Mr. MAHON: Committee on appropriations. House Joint Resolution 1264. Joint resolution making continuing appropriations for the fiscal year 1971, and for other purposes. (Rept. No. 91-1220). Referred to the Committee of the Whole House on the State of the Union.

Mr. POAGE: Committee on Agriculture. S. 3592. An act to amend the Federal Meat Inspection Act, as amended, to clarify the provisions relating to custom slaughtering operations. (Rept. No. 91-1221). Referred to the Committee on 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. ASHLEY:

H.R. 18116. A bill to provide partial reimbursement for losses incurred by commercial fishermen as a result of restrictions imposed on domestic commercial fishing by a State or the Federal Government; to the Committee on Merchant Marine and Fisheries.

By Mr. ASHLEY (for himself, Mr. REES and Mr. STOKES):

H.R. 18117. A bill to amend title 32 of the United States Code to establish a Commission to oversee and improve the capability of the National Guard to control civil disturbances, and for other purposes; to the Committee on Armed Services.

By Mr. GALLAGHER:

H.R. 18118. A bill to amend title 5, United States Code, to provide for judicial review of decisions of the Civil Service Commission with respect to questions of disability and dependency under the civil service retirement program, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. HENDERSON:

H.R. 18119. A bill to increase the availability of mortgage credit for the financing of urgently needed housing, and for other purposes; to the Committee on Banking and Currency.

By Mr. KUYKENDALL:

H.R. 18120. A bill to exempt from certain deep-draft safety statutes passenger vessels operating solely on the inland rivers and waterways; to the Committee on Merchant Marine and Fisheries.

By Mr. MURPHY of New York (for himself, Mr. ADDABBO, Mr. BUTTON,

Mr. CLEVELAND, Mr. ANNUNZIO, Mr. MOORHEAD, Mr. MOSS, Mr. MACDONALD of Massachusetts, Mr. FLYNT, Mr. SCHEUER, Mr. HICKS, Mr. ROSENTHAL, Mr. MAILLIARD, Mr. RYAN, Mr. McKNEALLY, Mr. RARICK, Mr. HARRINGTON, Mr. POWELL, Mr. KOCH, Mr. FRIEDEL, Mr. MANN, and Mr. BINGHAM):

H.R. 18121. A bill requiring that each Member of Congress be notified of the intended disposition of federally owned real property in the district he represents; to the Committee on Government Operations.

By Mr. PASSMAN:

H.R. 18122. A bill to encourage the growth of international trade on a fair and equitable basis; to the Committee on Ways and Means.

By Mr. PERKINS:

H.R. 18123. A bill to establish a comprehensive midcareer development service program for middle-aged and older persons, to expand employment and educational opportunities for such persons, to expand Fed-

eral employment opportunities for such persons, and for other purposes; to the Committee on Education and Labor.

By Mr. STAGGERS:

H.R. 18124. A bill to amend the Railroad Retirement Act of 1937 to provide a 5 percent and cost-of-living increase in annuities and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. STAGGERS (for himself, Mr. SPRINGER, and Mr. GERALD R. FORD):

H.R. 18125. A bill to authorize the Secretary of Transportation to guarantee loans to rail carriers to assist them in the performance of transportation services necessary to the maintenance of a national transportation system, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WYDLER:

H.R. 18126. A bill to amend title 28 of the United States Code to provide for holding district court for the eastern district of New York at Westbury, N.Y.; to the Committee on the Judiciary.

By Mr. KIRWAN:

H.R. 18127. A bill making appropriations for public works for water, pollution control, and power development, including the Corps of Engineers—Civil, the Panama Canal, the Federal Water Quality Administration, the Bureau of Reclamation, power agencies of the Department of the Interior, the Tennessee Valley Authority, the Atomic Energy Commission, and related independent agencies and commissions for the fiscal year ending June 30, 1971, and for other purposes.

By Mr. ESCH:

H.R. 18128. A bill to provide more efficient and convenient passport services to citizens of the United States of America; to the Committee on Foreign Affairs.

By Mr. HANNA (for himself, and Mr. TUNNEY):

H.R. 18129. A bill to authorize the Secretary of the Interior to study the desirability of establishing a national wildlife refuge in California and/or adjacent Western States for the preservation of the California tule elk; to the Committee on Merchant Marine and Fisheries.

By Mr. KEE:

H.R. 18130. A bill to authorize a study for a waterway connecting the Kanawha River, W. Va., and the James River, Va., and for other purposes; to the Committee on Public Works.

By Mr. MCCARTHY:

H.R. 18131. A bill to amend the Solid Waste Disposal Act in order to provide financial assistance for the construction of solid waste disposal facilities, to improve research programs pursuant to such act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. McDADE:

H.R. 18132. A bill to amend title 10 of the United States Code to designate the medal of honor awarded for military heroism as the "Congressional Medal of Honor"; to the Committee on Armed Services.

H.R. 18133. A bill to authorize the Secretary of the Interior to establish the Thaddeus Kosciuszko Home National Historic Site in the State of Pennsylvania, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MOLLOHAN:

H.R. 18134. A bill to name the Veterans' Administration hospital located in Clarksburg, W. Va., the "Louis A. Johnson Memorial Veterans' Hospital"; to the Committee on Veterans' Affairs.

By Mr. OBEY:

H.R. 18135. A bill to authorize emergency loans under subtitle C of the Consolidated Farmers Home Administration Act of 1961 to milk farmers who suffer severe losses

caused by economic conditions; to the Committee on Agriculture.

By Mr. POLLOCK:

H.R. 18136. A bill to strengthen the penalty provisions of the Gun Control Act of 1968; to the Committee on the Judiciary.

By Mr. QUIE:

H.R. 18137. A bill to make rules respecting military hostilities in the absence of a declaration of war; to the Committee on Foreign Affairs.

By Mr. WHITE:

H.R. 18138. A bill to permit public school teachers (and other public school employees) who do not have coverage pursuant to State agreement under the Federal old-age, survivors, and disability insurance system to elect coverage under such system as self-employed individuals; to the Committee on Ways and Means.

By Mr. ZION:

H.R. 18139. A bill to exempt from certain deep-draft safety statutes passenger vessels operating solely on the inland rivers and waterways; to the Committee on Merchant Marine and Fisheries.

By Mr. CHAMBERLAIN:

H.R. 18140. A bill to provide for orderly trade in sugar beet molasses, and for other purposes; to the Committee on Ways and Means.

By Mr. HATHAWAY:

H.R. 18141. A bill to amend the National Environmental Policy Act of 1969, to provide for a National Environmental Data Bank; to the Committee on Merchant Marine and Fisheries.

By Mr. HOGAN (for himself, Mr. BEALL of Maryland, Mr. BELL of California, Mr. BUTTON, Mr. DOWDY, Mr. FRIEDEL, Mr. GUDE, Mr. HASTINGS, Mr. HAWKINS, Mr. KYROS, Mr. PODELL, Mr. ROE, and Mr. WILLIAMS):

H.R. 18142. A bill to establish a national catastrophic illness insurance program under which the Federal Government, acting in cooperation with State insurance authorities and the private insurance industry, will reinsure and otherwise encourage the issuance of private health insurance policies which make adequate health protection available to all Americans at a reasonable cost; to the Committee on Interstate and Foreign Commerce.

By Mr. PATMAN:

H.R. 18143. A bill to recognize direct benefits to the United States from the construction of the Toledo Bend Dam and Reservoir project and exempt Sabine River Authority, State of Louisiana, and Sabine River Authority of Texas, from further charges for the use, occupancy, and enjoyment of certain lands of the United States within the Sabine National Forest, Tex.; to the Committee on Agriculture.

By Mr. TUNNEY:

H.R. 18144. A bill to promote environmental quality by providing Federal grants to allow for increased public education to encourage individual responsibility and decision with regard to parenthood and population growth; to the Committee on Education and Labor.

By Mr. MAHON:

H.J. Res. 1264. Joint resolution making continuing appropriations for the fiscal year 1971, and for other purposes; to the Committee on Appropriations.

By Mr. MATSUNAGA:

H.J. Res. 1265. Joint resolution to authorize the Foreign Claims Settlement Commission of the United States to settle certain claims of inhabitants of the Trust Territory of the Pacific Islands for death and injury to persons, and for use of and damage to private property, arising from acts and omissions of the U.S. Armed Forces, or members thereof,

and for other purposes; to the Committee on Foreign Affairs.

By Mr. PATTEN:

H.J. Res. 1266. 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. PURCELL:

H.J. Res. 1267. Joint resolution proposing an amendment to the Constitution of the United States extending the right to vote to citizens 18 years of age or older; to the Committee on the Judiciary.

By Mr. BURTON of Utah:

H. Res. 1098. Resolution creating a standing Committee on Small Business in the House of Representatives; to the Committee on Rules.

By Mr. FRIEDEL:

H. Res. 1099. Resolution providing for an annual reception day for former Members of the House of Representatives; to the Committee on Rules.

By Mr. McDADE:

H. Res. 1100. Resolution designating January 22 of each year as Ukrainian Independence Day; to the Committee on the Judiciary.

By Mr. OBEY (for himself, Mr. SYMINGTON, Mr. HECHLER of West Virginia, Mr. SCHEUER, Mr. FRASER, Mrs. CHISHOLM, Mr. NIX, Mr. LEGGETT, Mr. MOSS, and Mr. CAREY):

H. Res. 1101. Resolution to reestablish congressional responsibility in the determination of U.S. policy in Indochina; to the Committee on Foreign Affairs.

By Mr. SIKES (for himself and Mr. HANNA):

H. Res. 1102. Resolution expressing the sympathy and friendship of the House of Representatives to the people of Peru and commending their universities for services of reconstruction and relief; 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. EILBERG:

H.R. 18145. A bill for the relief of Leon Fogelman, his wife Shoshana Fogelman, and their children, Ester Fogelman and Yoram Fogelman; to the Committee on the Judiciary.

By Mr. FARBSTEN:

H.R. 18146. A bill for the relief of Mrs. Marion Scolnick; to the Committee on the Judiciary.

By Mr. GUBSER:

H.R. 18147. A bill for the relief of Tomas Ramos-Lopez; to the Committee on the Judiciary.

By Mr. KOCH:

H.R. 18148. A bill for the relief of Ralph Rocco D'Alessandro; to the Committee on the Judiciary.

By Mr. POLLOCK:

H.R. 18149. A bill for the relief of Beatrice Walsh Westover and Ralph F. Westover; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII,

408. The SPEAKER presented a memorial of the Legislature of the State of Louisiana, ratifying an amendment to the Constitution of the United States providing that the rights of citizens to vote shall not be denied or abridged on account of sex, which was referred to the Committee on the Judiciary.