The ebullient Mrs. Peterson says she's retiring. But don't bet on it. She has retired too many times before.

Many of us hope that Mr. Ryan is right. But even if Elly carries out her intention and retires in Hawaii with her husband, as planned, we will still continue to turn to her for advice and counsel.

Another newspaperman, David S. Broder, of the Washington Post, has expressed high praise for Elly. In a column published in the Post of December 15, 1970, Mr. Broder wrote that:

Elly is one who has made an enormous contribution to the functioning of our political system.

Mr. President, I ask unanimous consent that Mr. Broder's column be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TRIBUTE TO ELLY PETERSON
(By David S. Broder)

They are having a party tonight at the Mayflower to say goodbye to Elly Peterson, who is retiring for the second time as assistant chairman of the Republican National Committee. She quit once before to take on the thankless assignment of opposing Sen. Philip A. Hart (D-Mich.), a task the Michigan Republicans were unwilling to entrust to a man in either 1964 or 1970.

She came back to her old job as the National Committee a couple of years ago at President Nixon's request, and this time she says she's quitting for good to join her husband in retirement in Hawaii. One has to be skeptical, for she has politics in her blood and a prudent Hawaii Democrat would keep a close eye on her activities.

In an age where the term is thought to be derogatory, Mrs. Peterson has always and unashamedly been a political pro. From her own Eaton County, Michigan, base she moved up the organization ladder to become the first female state chairman in GOP history, and then on to the top party post open to a women.

It is, I think, accurate to say that her abilities would have earned her the national chairmanship, were it not for the unwritten sex barrier both parties have erected around that job. Certainly, her organizational talents made her views as respected and her advice as sought-after among her colleagues in the party as anyone in the past decade.

The role of a woman in politics is an inherently difficult one—especially if her forte is organization. Yet through the years there have been women in both parties who have overcome the obstacles and made an enormous contribution to the functioning of our political system. In paying tribute to Mrs. Peterson, the Republicans are acknowledging a debt we all share.

One basic problem all talented women face is the tendency of the parties to shunt them off to some preserve of tea-party irrelevance called "women's activities." Mrs. Peterson, who has a Helen Hokinson figure but a slalom racer's cunning at cutting corners, fiercely resisted stereotyping and by sheer energy and capability won her right to operate at the full range of her talents.

Her greatest achievements probably came as Michigan Republican Chairman under Gov. George Romney. Romney entered office thinking political parties were at best irrelevant and outmoded and at worse downright dangerous. His suspicions were repaid in kind by the suspicions of the old-time Michigan Republicans, who regarded Romney as a loner, a usurper and very probably a dangerous radical.

Somehow, in this unpromising situation, Mrs. Peterson sensed an opportunity for remaking the Michigan Republican Party into a bigger, healthier, more open and—she always insisted—more effective organization. She managed to convince Romney that governing was easier if he had party support than if he was attempting to function as a one-man band. And she managed to convince some awfully skeptical Republicans that Romney's personality and grass roots appeal could be made a vehicle for building a stronger party organization.

The party conferences she ran in those years were about as close to town hall democracy as it is possible to get in a mass society, and the enthusiasm they generated had a practical payoff in the election of an additional senator and five more Republican congressmen.

It was Mrs. Peterson's fate to serve on the National Committee staff in periods which were hardly conducive to her own brand of progressive Republicanism, first in the years leading up to the Goldwater nomination and in the past two years under President Nixon.

She has, for example, been struggling for the last two years to launch a national program—patterned on her Michigan experience—of opening year-around Republican headquarters and neighborhood service offices in urban ghetto areas. It would be at best a difficult, risky operation, and the political payoff—if any—would be years away.

But it was her conviction that if the Republican Party was to govern effectively, it had to have roots, however fragile, in black America as well as in white. That kind of thinking was not enthusiastically received by the advocates of the quick-payoff "Southern strategy."

But hard-headed as she is, Mrs. Peterson would say you should expect to be frustrated in many of your hopes if you get involved in politics. As an exemplar of the many women in both parties who have shown that citizen politics can be party politics, she richly deserves the tribute she will receive tonight.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

RECESS UNTIL 9 A.M. TOMORROW

Mr. KENNEDY. 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 recess until 9 a.m. tomorrow.

The motion was agreed to; and (at 8 o'clock and 13 minutes p.m.) the Senate recessed until tomorrow, Thursday, December 17, 1970, at 9 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate December 16 (legislative day of December 15), 1970:

U.S. CIRCUIT COURTS

W. Wallace Kent, of Michigan, to be a U.S. circuit judge for the sixth circuit.

U.S. DISTRICT COURTS

Dennis R. Knapp, of West Virginia, to be U.S. district judge for the southern district of West Virginia.

Barron P. McCune, of Pennsylvania, to be a U.S. district judge for the western district of Pennsylvania.

Fred M. Winner, of Colorado, to be a U.S. district judge for the district of Colorado.

DEPARTMENT OF JUSTICE

William C. Lee, of Indiana, to be U.S. attorney for the northern district of Indiana for the term of 4 years.

CIVIL AERONAUTICS BOARD

Robert D. Timm, of Washington, to be a member of the Civil Aeronautics Board for the term of 6 years expiring December 31, 1976.

U.S. TARIFF COMMISSION

Jefferson Banks Young, of Virginia, to be a member of the U. S. Tariff Commission for the term expiring June 16, 1976.

HOUSE OF REPRESENTATIVES—*Wednesday, December 16, 1970*

The House met at 12 o'clock noon.

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

Lift up your heads, O ye gates; and be ye lifted up, ye everlasting doors; and the King of Glory shall come in.—Psalms 24: 7.

As we lift up our heads, our Father, may we also open the doors of our hearts that the glory of Thy spirit may come in and dwell with us, helping us to render a true service to Thee and a faithful service to our fellow men. Working under the banner of truth, justice, and love, may we lead our people beyond the limits of differences and divisions to the heights of unity and peace. For Thine is the kingdom, the power, and the glory forever. Amen.

THE JOURNAL

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

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the amendments of the House to a bill and joint resolutions of the Senate of the following titles:

S. 3318. An act to amend the Library Services and Construction Act, and for other purposes;

S.J. Res. 74. Joint resolution to provide for the designation of the first full calendar week in May of each year as "National Employ the Older Worker Week";

S.J. Res. 187. Joint resolution to authorize the President to issue annually a proclamation designating the first full calendar week in May of each year as "Clean Waters for America Week";

S.J. Res. 187. Joint resolution to authorize the President to designate the third Sunday in June of each year as Father's Day; and

S.J. Res. 226. Joint resolution to authorize the President to proclaim the period from May 9, 1971, Mother's Day, through June 20, 1971, Father's Day, as the "National Multiple Sclerosis Society Annual Hope Chest Appeal Weeks."

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2162) entitled "An act to provide for special packaging to protect children from serious personal injury or serious illness resulting from handling, using, or ingesting household substances, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8298) entitled "An act to amend section 303(b) of the Interstate Commerce Act to modernize certain restrictions upon the application and scope of the exemption provided therein."

The message also announced that the Senate insists upon its amendments to the bill (H.J. Res. 1117) entitled "An act to establish a Joint Committee on the Environment;" disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MAGNUSON, Mr. MUSKIE, Mr. RANDOLPH, Mr. HART, Mr. JACKSON, Mr. BIBLE, Mr. BOGGS, Mr. ALLOTT, and Mr. BAKER to be the conferees on the part of the Senate.

CONFERENCE REPORT ON H.R. 17867, FOREIGN ASSISTANCE AND RELATED PROGRAMS APPROPRIATIONS, 1971

The Clerk read the title of the conference report.

The SPEAKER. The unfinished business is the question of the adoption of the conference report on the bill (H.R. 17867) making appropriations for foreign assistance and related programs for the fiscal year ending June 30, 1971, and for other purposes.

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

Mr. HALL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 199, nays 152, not voting 82, as follows:

[Roll No. 414]

YEAS—199

Adams	Brademas	Coughlin
Addabbo	Brasco	Culver
Albert	Brooks	Cramer
Alexander	Brotzman	Davis, Wis.
Anderson, Ill.	Buchanan	Dellenback
Andrews, N. Dak.	Burke, Mass.	Denney
Annunzio	Burton, Calif.	Dennis
Arends	Bush	Dingell
Ashley	Byrne, Pa.	Donohue
Ayres	Byrnes, Wis.	Dwyer
Barrett	Cabell	Edmondson
Beall, Md.	Carey	Edwards, Calif.
Berry	Carney	Eilberg
Biaggi	Cederberg	Eshleman
Biester	Chamberlain	Evans, Colo.
Bingham	Clark	Farbstein
Boggs	Cohelan	Fascell
Boland	Conte	Feighan
Bow	Corbett	Findley
	Corman	Fish
Flood	McEwen	Rhodes
Foley	McFall	Riegle
Ford, Gerald R.	Macdonald, Mass.	Roberts
Forsythe	Madden	Robison
Fraser	Mahon	Rodino
Frelinghuysen	Mailliard	Rogers, Colo.
Friedel	Mann	Rooney, N.Y.
Fulton, Pa.	Matsunaga	Rooney, Pa.
Fulton, Tenn.	Mayne	Rosenthal
Garmatz	Meeds	Rostenkowski
Gibbons	Mikva	Roth
Gonzalez	Miller, Calif.	Roybal
Green, Oreg.	Mills	Ruppe
Green, Pa.	Minish	Ryan
Griffiths	Mink	St Germain
Gubser	Mollohan	Scheuer
Gude	Monagan	Schneebeli
Halpern	Moorhead	Schwengel
Hamilton	Morgan	Shriver
Hanna	Morse	Sisk
Hansen, Idaho	Mosher	Smith, Iowa
Hansen, Wash.	Murphy, Ill.	Smith, N.Y.
Harrington	Murphy, N.Y.	Springer
Hathaway	Nelsen	Stafford
Hays	Nix	Stanton
Heckler, Mass.	O'Hara	Steele
Helstoski	Passman	Steiger, Wis.
Hicks	Patman	Stratton
Hogan	Patten	Sullivan
Holifield	Pelly	Symington
Hosmer	Pepper	Taft
Howard	Perkins	Teague, Calif.
Jacobs	Philbin	Teague, Tex.
Johnson, Calif.	Pickle	Udall
Johnson, Pa.	Pike	Ullman
Karth	Pirnie	Van Deerlin
Keith	Poage	Vanik
Kluczynski	Podell	Vigorito
Koch	Preyer, N.C.	Ware
Kyros	Price, Ill.	Weicker
Leggett	Pucinski	Whalen
Lloyd	Quie	Whalley
Lukens	Railsback	Wilson, Bob
McCarthy	Rees	Wydler
McClory	Reid, Ill.	Yatron
McCloskey	Reid, N.Y.	Young
McDade		Zablocki

NAYS—152

Abbitt	Fuqua	O'Neal, Ga.
Abernethy	Galifianakis	Pettis
Anderson, Calif.	Gaydos	Poff
	Goodling	Pollock
Anderson, Tenn.	Griffin	Price, Tex.
	Gross	Pryor, Ark.
Andrews, Ala.	Grover	Quillen
Ashbrook	Hagan	Randall
Baring	Haley	Rarick
Bennett	Hall	Reuss
Betts	Hammer-schmidt	Roe
Bevill		Rogers, Fla.
Blanton	Harvey	Roudebush
Bray	Hawkins	Rousselot
Brinkley	Hechler, W. Va.	Ruth
Brown, Calif.	Hull	Sandman
Brown, Mich.	Hungate	Satterfield
Brown, Ohio	Hunt	Saylor
Broyhill, N.C.	Hutchinson	Scherle
Broyhill, Va.	Ichord	Schmitz
Burleson, Tex.	Jarman	Shipley
Burlison, Mo.	Jonas	Sikes
Caffery	Jones, N.C.	Skubitz
Camp	Jones, Tenn.	Slack
Carter	Kastenmeier	Smith, Calif.
Casey	Kazen	Snyder
Chappell	King	Steed
Clancy	Kuykendall	Steiger, Ariz.
Clawson, Del	Kyl	Stephens
Cleveland	Landgrebe	Stokes
Collier	Landrum	Stubblefield
Collins, Tex.	Latta	Stuckey
Colmer	Lennon	Talcott
Conyers	Long, Md.	Taylor
Cowger	Lowenstein	Thompson, Ga.
Crane	McClure	Thomson, Wis.
Daniel, Va.	McDonald, Mich.	Waggonner
de la Garza		Waldie
Delaney	McMillan	Wampler
Dent	Marsh	Watson
Derwinski	Martin	Watts
Devine	Melcher	White
Dickinson	Michel	Whitehurst
Downing	Miller, Ohio	Whitten
Duncan	Minshall	Williams
Edwards, Ala.	Mizell	Winn
Evins, Tenn.	Montgomery	Wyatt
Fisher	Myers	Wylie
Flowers	Natcher	Wyman
Foreman	Nedzi	Yates
Fountain	Obey	Zion
Frey	Olsen	Zwach

NOT VOTING—82

Adair	Belcher	Blackburn
Aspinall	Bell, Calif.	Blatnik
Bolling	Ford, William D.	Morton
Brock	Gallagher	Moss
Broomfield	Gettys	Nichols
Burke, Fla.	Giaimo	O'Konski
Burton, Utah	Gilbert	O'Neill, Mass.
Button	Goldwater	Ottinger
Celler	Gray	Powell
Chisholm	Hanley	Purcell
Clausen, Don H.	Harsha	Reifel
	Hastings	Rivers
Clay	Hébert	Schadeberg
Collins, Ill.	Henderson	Scott
Conable	Horton	Sebelius
Cunningham	Jones, Ala.	Staggers
Daddario	Kee	Thompson, N.J.
Daniels, N.J.	Kleppe	Tiernan
Davis, Ga.	Langen	Tunney
Diggs	Long, La.	Vander Jagt
Dorn	Lujan	Widnall
Dowdy	McCulloch	Wiggins
Dulski	McKneally	Wilson, Charles H.
Eckhardt	MacGregor	Wold
Edwards, La.	Mathias	Wolff
Erlenborn	May	Wright
Esch	Meskill	
Fallon	Mize	
Flynt		

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. O'Neill of Massachusetts for, with Mr. Henderson against.

Mr. Daniels of New Jersey for, with Mr. Gettys against.

Mr. Gallagher for, with Mrs. Chisholm against.

Mr. Giaimo for, with Mr. Clay against.

Mr. Gray for, with Mr. Collins of Illinois against.

Mr. Hanley for, with Mr. Davis of Georgia against.

Mr. Hébert for, with Mr. Dorn against.

Mr. Jones of Alabama for, with Mr. Dowdy against.

Mr. Kee for, with Mr. Flynt against.

Mr. Moss for, with Mr. Adair against.

Mr. Rivers for, with Mr. Belcher against.

Mr. Thompson of New Jersey for, with Mr. Brock against.

Mr. Wolff for, with Mr. Goldwater against.

Mr. Wright for, with Mr. Lujan against.

Mr. Aspinall for, with Mr. Burke of Florida against.

Mr. Horton for, with Mr. Sebelius against.

Mr. Widnall for, with Mr. Schadeberg against.

Mr. Vander Jagt for, with Mr. Scott against.

Mr. Mathias for, with Mr. O'Konski against.

Mr. Broomfield for, with Mrs. May against.

Mr. Esch for, with Mr. Langen against.

Mr. Erlenborn for, with Mr. Don H. Clausen against.

Mr. Hastings for, with Mr. Blackburn against.

Mr. William D. Ford for, with Mr. Nichols against.

Mr. Blatnik for, with Mr. Powell against.

Mr. Bell of California for, with Mr. Harsha against.

Mr. Celler for, with Mr. Ottinger against.

Mr. Morton for, with Mr. Kleppe against.

Mr. Edwards of Louisiana for, with Mr. Staggers against.

Until further notice:

Mr. Daddario with Mr. Burton of Utah.

Mr. Diggs with Mr. Conable.

Mr. Gilbert with Mr. Button.

Mr. Long of Louisiana with Mr. Cunningham.

Mr. Charles H. Wilson with Mr. McCulloch.

Mr. Dulski with Mr. McKneally.

Mr. Eckhardt with Mr. MacGregor.

Mr. Fallon with Mr. Wiggins.

Mr. Purcell with Mr. Reifel.

Mr. Meskill with Mr. Mize.

Mr. Tiernan with Mr. Wold.

The result of the vote was announced as above recorded.

The doors were opened.

AMENDMENTS IN DISAGREEMENT

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 6: Page 2, line 20, insert: ", and the payments due in 1971 and 1972 on loans made for the benefit of the Weizmann Institute of Science by the Agency for International Development from funds available under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480) are hereby waived."

MOTION OFFERED BY MR. PASSMAN

Mr. PASSMAN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. PASSMAN moves that the House recede from its disagreement to the amendment of the Senate numbered 6 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert. ", and the payments due in 1971 and 1972 on loans made for the benefit of the Weizmann Institute of Science and the Bar-Ilan University by the Agency for International Development from funds available under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480), are hereby waived."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 14: Page 4, line 21, after "for" insert "any of".

MOTION OFFERED BY MR. PASSMAN

Mr. PASSMAN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. PASSMAN moves that the House recede from its disagreement to the amendment of the Senate numbered 14 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 15: Page 4, line 22, after "general" strike out "purpose" and insert "purposes:"

MOTION OFFERED BY MR. PASSMAN

Mr. PASSMAN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. PASSMAN moves that the House recede from its disagreement to the amendment of the Senate numbered 15 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 17: Page 5, line 19, insert:

"SOCIAL DEVELOPMENT ASSISTANCE

"INTER-AMERICAN SOCIAL DEVELOPMENT INSTITUTE

"The Inter-American Social Development Institute is authorized to make such expenditures within the limits of funds available to it and in accordance with the law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended (31 U.S.C. 849), as may be necessary in carrying out its authorized programs during the current fiscal year."

MOTION OFFERED BY MR. PASSMAN

Mr. PASSMAN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. PASSMAN moves that the House recede from its disagreement to the amendment of the Senate numbered 17 and concur therein with an amendment, as follows: Strike out the period at the end of the amendment and insert the following: ": *Provided*, That not to exceed $10,000,000 shall be available to carry out the authorized programs during the current fiscal year."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 24: On page 14, line 7, insert the following:

"INTERNATIONAL MONETARY FUND

"INCREASE IN QUOTA, INTERNATIONAL MONETARY FUND

"To finance an increase in the quota of the United States in the International Monetary Fund, $1,540,000,000 to remain available until expended: *Provided*, That this paragraph shall be effective only upon enactment into law of H.R. 18306, Ninety-first Congress, or similar legislation."

MOTION OFFERED BY MR. PASSMAN

Mr. PASSMAN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. PASSMAN moves that the House recede from its disagreement to the amendment of the Senate numbered 24 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert:

"INTERNATIONAL MONETARY FUND

"INCREASE IN QUOTA, INTERNATIONAL MONETARY FUND

"To finance an increase in the quota of the United States in the International Monetary Fund, $1,540,000,000, to remain available until expended."

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the conference report and on the several motions was laid on the table.

CONFERENCE SUMMARY ON FOREIGN ASSISTANCE APPROPRIATIONS, 1971

(Mr. PASSMAN asked and was given permission to extend his remarks at this point in the RECORD and to include certain extraneous matter and tables.)

Mr. PASSMAN. Mr. Speaker, the conference summary table follows:

FOREIGN ASSISTANCE AND RELATED PROGRAMS APPROPRIATION BILL, FISCAL YEAR 1971 (H.R. 17867)—CONFERENCE SUMMARY

TITLE I—FOREIGN ASSISTANCE ACT ACTIVITIES

[Note—All amounts are in the form of "appropriations" unless otherwise indicated]

Agency and item	New budget (obligational) authority, 1970 [1]	Budget estimates of new (obligational) authority, 1971	New budget (obligational) authority recommended in House bill	New budget (obligational) authority recommended in Senate bill	New budget (obligational) authority recommended by conference action	Conference action compared with— New budget (obligational) authority, 1970	Budget estimates of new (obligational) authority, 1971	New budget (obligational) authority recommended in House bill	New budget (obligational) authority recommended in Senate bill
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
FUNDS APPROPRIATED TO THE PRESIDENT									
Economic Assistance									
Technical assistance	$353,250,000	$396,870,000	$310,000,000	$396,870,000	$353,435,000	+$185,000	−$43,435,000	+$43,435,000	−$43,435,000
Worldwide	(166,750,000)	(183,500,000)	(150,000,000)	(183,500,000)	(166,750,000)		(−16,750,000)	(+16,750,000)	(−16,750,000)
Alliance for Progress	(81,500,000)	(90,750,000)	(75,000,000)	(90,750,000)	(82,875,000)	(+1,375,000)	(−7,875,000)	(+7,875,000)	(−7,875,000)
Multilateral organizations	(105,000,000)	(122,620,000)	(85,000,000)	(122,620,000)	(103,810,000)	(−1,190,000)	(−18,810,000)	(+18,810,000)	(−31,705,000)
American schools and hospitals abroad	25,900,000	8,895,000	8,600,000	12,895,000	12,895,000	−13,005,000	+4,000,000	+4,295,000	
Special foreign currency program	(3,000,000)					(−3,000,000)			
Indus Basin Development Fund, grants	7,530,000	5,850,000	4,000,000	5,850,000	4,925,000	−2,605,000	−925,000	−925,000	−925,000
Indus Basin Development Fund, loans		7,960,000	6,000,000	7,960,000	6,980,000	+6,980,000	−980,000	+980,000	−980,000
Prototype desalting plant	20,000,000					−20,000,000			
United Nations Relief and Works Agency (Arab refugees)	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000				
Supporting assistance	395,000,000	[1] 414,600,000	375,000,000	414,600,000	414,600,000	+19,600,000		+39,600,000	
Contingency fund	12,500,000	15,000,000	12,500,000	15,000,000	15,000,000	+2,500,000		+2,500,000	
Alliance for Progress, development loans	255,000,000	337,500,000	225,000,000	337,500,000	287,500,000	+32,500,000	−50,000,000	+62,500,000	−50,000,000
Development loans	296,600,000	570,000,000	280,000,000	570,000,000	420,000,000	+123,400,000	−150,000,000	+140,000,000	−150,000,000
Administrative expenses:									
A.I.D.	54,200,000	51,125,000	50,000,000	51,125,000	51,000,000	−3,200,000	−125,000	+1,000,000	−125,000
State	3,900,000	4,200,000	4,100,000	4,100,000	4,100,000	+200,000	−100,000		
Subtotal, economic assistance	1,424,880,000	1,813,000,000	1,276,200,000	1,816,900,000	1,571,435,000	+146,555,000	−241,565,000	+295,235,000	−245,465,000

Footnotes at end of table.

Agency and item	New budget (obligational) authority, 1970 [9]	Budget estimates of new (obligational) authority, 1971	New budget (obligational) authority recommended in House bill	New budget (obligational) authority recommended in Senate bill	New budget (obligational) authority recommended by conference action	Conference action compared with— New budget (obligational) authority, 1970	Conference action compared with— Budget estimates of new (obligational) authority, 1971	Conference action compared with— New budget (obligational) authority recommended in House bill	Conference action compared with— New budget (obligational) authority recommended in Senate bill
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Overseas Private Investment Corporation									
Overseas Private Investment Corporation, reserves	$37,500,000	$37,500,000	$18,750,000	$37,500,000	$18,750,000	−$18,750,000	−$18,750,000		−$18,750,000
Subtotal	1,462,380,000	1,850,500,000	1,294,950,000	1,854,400,000	1,590,185,000	+127,805,000	−260,315,000	+$295,235,000	−264,215,000
Military Assistance									
Military assistance	350,000,000	350,000,000	350,000,000	350,000,000	350,000,000				
Total, title I, new budget (obligational) authority, Foreign Assistance Act activities	[2] 1,812,380,000	[3] 2,200,500,000	[4] 1,644,950,000	[4] 2,204,400,000	1,940,185,000	+127,805,000	−260,315,000	+295,235,000	−264,215,000
TITLE II—FOREIGN MILITARY CREDIT SALES									
Foreign military credit sales		[5] $272,500,000	$272,500,000		$200,000,000	+$200,000,000	−$72,500,000	−$72,500,000	+$200,000,000
TITLE III—FOREIGN ASSISTANCE (OTHER)									
FUNDS APPROPRIATED TO THE PRESIDENT									
Peace Corps	$98,450,000	$98,800,000		$94,500,000	$90,000,000	−$8,450,000	−$8,800,000	+$90,000,000	−$4,500,000
Limitation on administrative expenses	(31,751,000)	(31,400,000)		(31,400,000)	(30,000,000)	(−1,751,000)	(−1,400,000)	(+30,000,000)	(−1,400,000)
DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS									
Ryukyu Islands, Army, Administration	18,990,000	6,952,000	$6,000,000	6,952,000	6,476,000	−12,514,000	−476,000	+476,000	−476,000
Reappropriation of unobligated balances	[6] 1,847,000					−1,847,000			
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE									
Assistance to refugees in the United States	87,372,000	112,000,000	112,000,000	112,000,000	112,000,000	+24,628,000			
DEPARTMENT OF STATE									
Migration and refugee assistance	[7] 5,571,000	5,787,000	5,511,000	5,787,000	5,649,000	+78,000	−138,000	+138,000	−138,000
FUNDS APPROPRIATED TO THE PRESIDENT									
International Financial Institutions									
Asian Development Bank	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000				
Inter-American Development Bank	505,880,000					−505,880,000			
International Development Association	160,000,000	160,000,000	160,000,000	160,000,000	160,000,000				
International Monetary Fund (quota increase)		[8] 1,540,000,000)	[8]	(1,540,000,000)	(1,540,000,000)	(+1,540,000,000)		(+1,540,000,000)	
Total, title III, new budget (obligational) authority, foreign assistance (other)	898,110,000	403,539,000	303,511,000	399,239,000	394,125,000	−503,985,000	−9,414,000	+90,614,000	−5,114,000
Limitation on program activity	(3,427,413,000)	(4,075,483,000)	(4,075,483,000)	(4,075,483,000)	(4,075,483,000)	(+648,070,000)			
Limitation on administrative expenses	(5,948,000)	(6,613,000)	(6,613,000)	(6,613,000)	(6,613,000)	(+665,000)			
Total, title IV, Export-Import Bank of the United States, limitations on use of corporate funds	(3,433,361,000)	(4,082,096,000)	(4,082,096,000)	(4,082,096,000)	(4,082,096,000)	(+648,735,000)			
RECAPITULATION									
Grand total, new budget (obligational) authority, titles I, II, and III	$2,710,490,000	$2,876,539,000	$2,220,961,000	$2,603,639,000	$2,534,310,000	−$176,180,000	−$342,229,000	+$313,349,000	−$69,329,000
Consisting of:									
1. Definite appropriations	2 708,643,000	2,876,539,000	2,220,961,000	2,603,639,000	2,534,310,000	−174,333,000	−342,229,000	+313,349,000	−69,329,000
2. Reappropriation of unobligated balances:									
a. Economic assistance	(130,840,000)	(750,000)	(750,000)	(750,000)	(750,000)	(−130,090,000)			
b. Military assistance	(5,100,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(−100,000)			
c. Ryukyu Islands	[6] 1,847,000					−1,847,000			
3. Limitation (Export-Import Bank)	(3,433,361,000)	(4,082,096,000)	(4,082,096,000)	(4,082,096,000)	(4,082,096,000)	(+648,735,000)			
4. Quota increase (International Monetary Fund)		(1,540,000,000)		(1,540,000,000)	(1,540,000,000)	(+1,540,000,000)		(+1,540,000,000)	

[1] Excludes $100,000,000 requested in the fiscal year 1971 budget but not considered (requires authorization).
[2] Unobligated balances as of June 30, 1969, reappropriated.
[3] Unobligated balances as of June 30, 1970, requested to be reappropriated.
[4] Unobligated balances reappropriated.
[5] Authorizing legislation still pending.
[6] This amount was reestimated in the fiscal year 1971 budget at $1,861,000.
[7] Excludes $5,752,000 transferred from AID appropriations.
[8] Not considered by the House contained in Senate Document 91–110. According to the new budget concept, an increase in the IMF quota should not be considered as a part of the Federal budget because it is only a change of assets accounted to the United States with no effect on the budget.
[9] Includes the Second Supplemental, 1970 (P.L. 91–305).

Mr. CONTE. Mr. Speaker, as a member of the House-Senate conference committee that considered appropriations for foreign assistance and related programs for fiscal year 1971, I would like to comment on the report of that committee.

My support of this Nation's foreign economic assistance program is well known and long standing. I am convinced that we must continue to encourage the hopes and aspirations of the developing nations of the world.

The widespread uneasiness toward the military programs that have tied us

down throughout the globe must not deter us from extending a helping hand to those countries that are struggling to achieve economic growth and stability. To turn our back on their requests for help would be a serious injustice.

Technical assistance is the heart of our foreign program. Its funds provide the professional expertise that is needed to conquer the economic growth pangs that plague the less developed nations.

The committee has recommended that $353.4 million be appropriated for technical assistance. While $398.8 million was originally requested by the administration and the committee's action falls short of that request, this does represent an increase of $43.4 million over the amount approved in the House on June 4. This is definitely a step in the right direction.

I am especially pleased that this conference report recommends $3.2 million in aid for the Weizmann Institute of Science in Israel to enable it to obtain needed equipment. I strongly supported this in the conference.

Under the direction of the noted Dr. Albert B. Sabin whose development of the oral polio vaccine was such a major medical breakthrough, the institute not only is conducting important research, but also runs a graduate school. This American school, which has courses in physics, biology, chemistry, oceanography, computer sciences, and other subjects, has 400 students, including 60 foreign students, many of whom come from the developing nations. The school also hopes to train African students and also opens its doors to Arab students.

Mr. Speaker, these funds were not requested in the original House bill last June, because the need for them developed only later. There are two main reasons why this excellent school now needs these funds. Both relate to the tense military situation in Israel and its economic difficulties which we have since moved to help solve in last week's supplemental appropriations bill.

First, Israel's defense needs forced it to cut back on its own assistance to the institute. Second, because the Government itself had a greater need for private American funds, last summer the Government banned all fundraising by nonprofit Israeli groups in this country. Until then private American aid had been a major revenue source for the institute.

For these reasons the Senate agreed to this assistance; $500,000 comes in the form of direct aid—the same kind of assistance now going to the American University in Beirut and similar schools.

A word of explanation is needed to explain the form of the remaining $2.7 million in aid. The Senate agreed to waive for 2 years only, the payments due in 1971 and 1972 under a loan made under the Public Law 480 program. Our report makes clear that we do not consider this expedient as establishing a precedent for other institutions to follow. We have taken this step here only because of the extraordinary and unforeseen financial bind the institute has temporarily found itself in.

As a longtime ardent supporter of economic aid, I am convinced that these funds are well spent. I might add that assurances have been given that all the equipment to be purchased with these funds will be obtained in this country.

The action taken by the conference on funds for the Peace Corps was also most gratifying. Last June, I fought for an amendment that would result in appropriating $90 million for a small, but dedicated organization striving to serve the cause of global peace. My efforts then were not successful.

But I am particularly pleased that the $90 million figure was approved in conference. At a time when our young people are becoming increasingly frustrated by a seeming inability to work successfully within the "system," our action here will insure the continued existence of an organization that works for one of the highest aims of mankind—peace on earth.

I would like to conclude, Mr. Speaker, by pointing out once again that it would be tragic and foolish to delude ourselves into thinking that we can ignore the poverty and deprivation of the great majority of mankind. The problems of international development and economic interdependence provide one of the greatest challenges of our age. I am convinced that we will continue to meet that challenge.

Mrs. REID of Illinois. Mr. Speaker, as a member of the Subcommittee on Foreign Operations Appropriations, I signed the conference report and urge its adoption today.

When H.R. 17867 was first reported out of our subcommittee, funds were not included for the Peace Corps because the authorization had not been enacted at that time. Subsequently, $90 million for this agency was included in this conference report. In the past I have been somewhat less than enthusiastic over the results or what I have felt were lack of results from the activities of the Peace Corps. However, I am heartened by the efforts that have been made to reevaluate the program and tighten administration since the present Director, Joseph Blatchford, was appointed in May 1969.

In my opinion, he has done a very good job of reorganizing the agency and making its operation more lean and efficient. The Washington staff has been reduced by 20 percent and the Peace Corps overseas has moved into highpriority problem areas of developing countries. Emphasis has been placed on teacher training, high-yield agriculture programs, manpower training, vocational skills, public administration, and population control. At the present time the Peace Corps is operating 467 programs in 61 countries—more than at any time in its 9-year history. Furthermore, more emphasis has been placed on screening volunteers—a greater effort is being made to get older people into the program—and regulations have been changed to permit highly skilled persons to take their wives and families with them. As an indication of the type of volunteers now in the program, statistics show that they possess 312 different skills and speak 180 different languages and dialects.

It is true that since the program began 9 years ago the Peace Corps has been asked to leave 11 countries. However, only four of these have occurred since the present Director took office and in each instance it was through no fault of the volunteers. For instance, the Peace Corps left Libya and the Somali Republic in 1969 because of military overthrows of the existing governments in those countries. In Tanzania, no request was made for continuance of the program after September 1969. Although President Nyerere of Tanzania praised the efforts of the Peace Corps volunteers, he stated that greater emphasis should be placed on self-reliance of the African nations. In regard to the fourth Nation—Malawi, we will leave in May 1971, after a 2-year phaseout.

As I have stated, I do feel that substantial progress has been made in the relatively short time that the present Director, Mr. Blatchford, has been in office and I would hope that improvements will continue to be made. In my opinion, the Peace Corps is now making a very substantial contribution to our overall foreign policy.

Mr. ABBITT. Mr. Speaker, it is my understanding that the foreign assistance appropriation bill contains an amount of $160 million for the International Development Association, an arm of the International Bank for Reconstruction and Development, the World Bank.

It has recently come to my attention that the International Development Association has approved loans to two African nations for the specific purpose of aiding them in increasing their production of Flue-cured tobacco, principally for export purposes. A press release from the International Development Association, No. 70–47, dated October 7, 1970, announced that a $9 million credit had been extended to the Government of Tanzania for the purpose of aiding its production of Flue-cured tobacco; and press release No. 70–41 from IDA, dated July 22, 1970, announced approval of a credit of $4 million to Uganda for the same purpose. My understanding is that overtures have been made by several other countries although at this point we have not been able to determine the exact status of any such inquiries, either through the World Bank or the Agency for International Development.

As chairman of the Tobacco Subcommittee of the House Agriculture Committee, I have made a number of inquiries through agencies of this Government and to the World Bank on the facts in these cases. I recognize the advantage of encouraging the underdeveloped nations in improving their economies but I do not believe that it is in the best interest of this Government to participate in loans or credits to other nations for the purpose of increasing their ability to compete with us on commodities which are in excess production in this country. The loans to Uganda and Tanzania undoubtedly will develop new competition for the America tobacco export trade while at the same time the United States is attempting to stimulate the export of Flue-cured tobacco in Europe and elsewhere. It is also significant

that these two countries enjoy a Commonwealth preference in the United Kingdom market and as associated overseas territories of the European Common Market, their tobacco enters the Community duty free. Therefore, money loaned for this purpose ultimately will result in direct competition for American tobacco in the Common Market countries.

I do not feel that the resources of the United States should be used to encourage competition to American Flue-cured tobacco growers especially at a time when the tobacco trade is being besieged by all kinds of problems. My understanding is that the loan to Tanzania will be used to settle 15,000 new Tanzania tobacco growers on thousands of acres of land which is capable of producing large quantities of Flue-cured tobacco. The loan to Uganda was described as "a small holder tobacco project" which has as its ultimate objective the increasing of Flue-cured tobacco production in that country.

It seems to me that the issue here is clear cut. The United States contributes approximately one-fourth of the funds used by the International Development Association and I feel that it is incumbent upon this Government in the future to make as strong a protest as possible against proposals to lend money through the World Bank for the purpose of increasing tobacco production elsewhere. Extensive efforts have been made by the Department of Agriculture in cooperation with the tobacco trade to cut production in this country in order to strengthen our tobacco program. Thus it would seem that to participate in a loan to enhance another country's export potential would be in disagreement with the domestic policy. It makes no sense whatever to have the Foreign Agriculture Service and other agencies of the U.S. Government attempting to improve our export position while at the same time having an international organization to which we contribute substantial support actually undermine the efforts of FAS and other American agencies.

I have written to the President and to the Department of Agriculture, State, and Commerce, asking for full reports on this matter and I hope within a short time to have the necessary information on the background of the loans in question as well as the extent to which the American Government objected to the loans. Once this information is received I would hope that we could obtain approval of a congressional resolution stating that it is the sense of Congress that American participation should not be approved for loans to underdeveloped nations for the specific purpose of increasing their production of commodities which are in excess in this country. This is not only logical but is in the best interest of the United States.

Mr. FULTON of Pennsylvania. Mr. Speaker, I wish to emphasize my special concern about the present need of U.S. grant economic aid for Israel to assure the security of Israel and the safety of the Israeli people, as well as to maintain a stable balance of power, with equal opportunity for progress for all peoples of the Mideast. The present cease-fire could erupt into armed conflict that would devastate these countries, their people, and their lands for a generation. We American citizens want every citizen of every country in the Mideast to have the opportunity to work in peace and progress to lead the good life which can be obtained for him and his family, if fear of death and destruction is removed.

On December 9, 1970, I have offered my amendment for grant aid for Israel to H.R. 19911 the supplemental foreign assistance authorization bill for Cambodia, Southeast Asia, and Mideast additional aid. My amendment is to provide $35 million U.S. grant aid to Israel. This is the same total of grant aid in H.R. 19911 for two Mideast Arab States, Jordan and Lebanon, which aid I have favored.

My amendment was submitted simply for the purpose of calling special attention of the administration in the preparation of the next Federal budget, and for the purpose of informing the Congress of the need of Israel, so that action can be taken later by the administration and the Congress.

I read into the RECORD the debate on my amendment occurring on page 40721 and following of the CONGRESSIONAL RECORD of December 9, 1970.

AMENDMENT OFFERED BY MR. FULTON OF PENNSYLVANIA

Mr. FULTON of Pennsylvania. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

"Amendment offered by Mr. FULTON of Pennsylvania: Page 2, beginning in line 21, strike out "$690,000,000 for the fiscal year 1971" and insert in lieu thereof "$725,000,000 for the fiscal year 1971, of which not less than $35,000,000 shall be available solely for assistance to Isreal under this chapter'."

Mr. FULTON of Pennsylvania. Mr. Chairman, this is an amendment which would permit grant aid to Israel, in the same total grant amount, $35 million, which is authorized for Arab countries, under this legislation. There already exists authorization for $500 million for Israel to purchase U.S. arms on credit.

Secretary of Defense Laird in his testimony before the House committee on November 25 revealed that $375 million of the request will be spent before June 30 of this year and the remaining $125 million during the fiscal year beginning then. Israel, according to Secretary of Defense Laird, needs the credits to pay $100 million in debts for military equipment already purchased which are due this December 31, 1970. Israel needs another $275 million to pay on debts to come due in the United States on June 30, 1971. So we can see, then, that there is only $125 million worth of credit which is really presently available for Israel's defense for current purchase under the $500 million credit sales authority, already established.

I should like to point out that Israel is in a war of attrition and needs economic aid badly. Israel needs prompt aid to maintain her own defenses, and to maintain the security of the Israeli people. I must say to the Members that there have been U.S. grants-in-aid for arms, as well as sales, to countries all over the world, whether dictatorships of the left or right, or democracies. I am speaking of Israel, a democracy with friendly people, whose arms are purchased with obligation to repay. These friendly people of Israel are in great danger and our U.S. policy of maintaining the security of the people of Israel must be firmly maintained. The United States must state strongly again and again, Israel shall be neither destroyed nor driven into the sea.

Israel, of all the modern nations in the world, spends 30 percent of her gross national product on her defense and security. As a matter of fact, we in the United States are spending much, much less in proportion. Every other modern industrial country in the world spends much less for her security in proportion to her gross national product.

Under these circumstances, I believe that unless the United States acts and acts quickly to assist Israel economically, Israel will be in a position that she cannot pay for the debt amounts that Israel already owes. At present Israel has been compelled to dip deeply into her foreign currency reserves. For example, Israel had $750 million of foreign currency reserves early in 1967. During that year her reserves increased to a recordbreaking figure of $900 million. Now Israel's foreign currency reserves have dwindled to a dangerously low sum of $370 million.

Under these present financial circumstances, there is only a tenuous cease-fire existing which might break out into open warfare at any moment. There is serious economic pressure on Israel and Israel for her own survival is being forced much beyond her capacity to defend her people. How long can our American people stand to see Israel stretched to the breaking point? How long will the patient citizens of Israel be able to hold out without our substantial assistance?

I believe the U.S. Government must consider in the next year's budget 1971–72, that the administration is now preparing, a sum of $50 million for fiscal year 1971–72, which would be for economic grant aid to Israel. My amendment would authorize $35 million U.S. economic grant aid at this time.

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

Mr. FULTON of Pennsylvania. I am glad to yield to the gentleman.

Mr. FRASER. It is a fact, is it not, as you have already pointed out, as you look around the world and look at other governments, totalitarian governments, we give them military aid. Israel, which is a very vigorous democratic nation, has to pay back in hard cash for any military aid we provide her with? Is that not the case?

Mr. FULTON of Pennsylvania. I thank the gentleman for his good comments. I agree with the gentleman completely. These are military equipment sales to Israel, not grants and the amounts must be paid back in full with interest. It is estimated that 85 percent of the Government budget of Israel is allocated toward Israel's defense and security. As a matter of fact, on the purchases in Israel's proposed fiscal year 1971 budget in the military procurement program there will be over $1 billion for that year. Of these Israel military budget funds $800 million will be spent for purchases in the United States. Israel has already contracted for $590 million worth of equipment in the United States, and more will be spent. Under these circumstances, where we have such a good friend and a loyal democracy in the Middle East, I hope this amendment will pass.

Mr. Chairman, I would like to withdraw the amendment at this time because I just want to give adequate notice, and to call to the attention of the Congress and the administration that there is a real and immediate need in the new Federal budget being prepared for fiscal year 1971–72 for adequate U.S. economic aid amounting to approximately $50 million for Israel for its defense and for the maintenance of Israel's position of security in the Middle East.

I think that the administration and Congress must recognize, as soon as possible, the requirement to meet Israel's urgent need for economic assistance.

Americans have watched with great ad-

miration and respect the gallantry of Israel's fighting forces. We have full knowledge of the extent to which the Israeli people and their friends have sacrificed themselves and their funds in their struggle to resist immediate threat of destruction.

This summer marked a turning point in American policy in the area. We had hoped that the Arab States might be ready to enter into genuine negotiations and respect the conditions of cease-fire. The administration exercised great restraint in pursuit of a Mideast policy based on the hope that our restraint would be emulated.

The cease-fire has been fragile, with claims of violation and impending threats of commencement of military action hanging over the whole Mideast. Accordingly, this Congress is on record in favor of military credits to Israel in the hope that the American people might ease Israel's tremendous burden.

As far as Israel is concerned, it is a war of attrition directed against her economy. Israel has asked recently for economic assistance. I do hope that the administration will undertake now a thorough review of Israel's economic position so that in the administration's foreign aid program proposals for fiscal 1971–72 there will be included adequate economic grants necessary to support Israel's economy.

No country in the world and no people are required to rely exclusively on their own resources in defense of their survival, but Israel is defending itself almost singlehanded. Israel is a country of the world which is bordered by age-old antagonism. One neighboring nation has repeatedly stated that it is determined upon Israel's destruction and deny her recognition and peace.

To meet the growing threat of the arms buildup in the Middle East, the people of Israel have been compelled to allocate about 30 percent of Israel's gross national product—more than $1,200 million for defense purposes. In contrast, the United States spends about 9 percent of its gross national product for defense and security. European countries allocate about 5 to 6 percent of their gross national product for defense and security.

To point out the effect of the superhuman efforts to form, build, and maintain the State of Israel, upon Israel's progress, I wish again to point out the specific facts of Israel's budget. We must remember, in Israel's fiscal year 1971 it is expected that Israel's military procurement program will mean an expenditure of $1 billion or more, $800 million of which will be spent in this country. Israel has already contracted to purchase $580 million of equipment in the United States and more will definitely be spent. It is estimated that 85 percent of Israel's Government budget is going for defense. This means that housing, education, welfare, and other social needs are being cut dangerously and much of the progress that the Israel people have made over the years is now jeopardized.

All this means that Israel has been compelled to dip into her foreign currency reserves. These totaled $750 million early in 1967. During that year Israel foreign currency reserves increased to a recordbreaking figure of $900 million. Now Israel's foreign currency reserves have dwindled to a dangerously low sum of $370 million.

In this connection, it should be stressed that over the years the Israelis have borne the highest per capita foreign currency debt in the world. That is because Israel has been compelled to pay for her necessary weapons for defense. Israel has never received grant military aid from anyone. Past U.S. administrations have not provided Israel with grant military aid, but over the years, going back to the Johnson, Eisenhower, and Kennedy administrations, our Government and the American people have maintained economic assistance to Israel at a good level in order to make it possible for her to continue her development and strengthen Israel's economy.

Substantial U.S. economic aid to Israel ended several years ago. The time has come for us to consider Israel's needs anew. Last year Israel asked for our Government a grant of $50 million for special assistance. Israel asked to be allowed to purchase substantial quantities of surplus commodities. Israel also requested development loans from the United States. The administration should make provision for a substantial direct grant to Israel in preparation of the new Federal budget. I hope and strongly urge that for the coming year this will be done. I strongly believe that the evidence supporting this request is persuasive and will have excellent support in Congress.

With Congressman MORGAN, of Pennsylvania, in 1951, I was one of the members of the House Foreign Affairs Committee who cosponsored legislation authorizing grant economic aid to Israel. The U.S. Congress approved this proposal and this was the beginning of the support assistance program which was used effectively and efficiently by the people of Israel.

Over the years Israel developed her economy and established one of the highest growth rates in the world. Israel opened her doors and absorbed hundreds of thousands of Jewish refugees, survivors of concentration camps, the victims of discrimination and persecution in many of the countries around the world. Israel's resettlement program has been an epic demonstration of the way in which a people can offer sanctuary and transform a helpless and broken people into a strong self-reliant citizenry contributing both to the economy and defense of the country. Israel's progress is an example which encouraged many other peoples throughout the world to fight for their independence and, at the same time, to concern themselves with the welfare of their people and the achievement of higher standards of living.

Israel fought for independence for the state but she also fought for freedom for the individual. And all over the world, in Asia, Africa, and Latin America, other peoples have been inspired by her fine example.

Now this epic chapter of Israel must not end. It is for us in America to help determine the final outcome. We who advocated aid to Israel did so in the conviction that this was in the highest interest of our own country, as well. We know that both Israel and America share a strong commitment to democracy. Our program in Israel contributed to her economy but also to strengthening a country which stood with the United States in the defense of freedom. Our U.S. aid program in Israel is a demonstration that aid can be used effectively and equitably when it is administered by people who have a personal interest in their country and who are sincerely committed to its development and the progress of all her people. Israel has become the showcase for American aid. The American people have a tremendous stake in that country. The United States must certainly do everything it can to maintain the integrity of Israel's development. I sincerely trust that Congress and the administration will respond affirmatively to this plea to place in the new Federal budget, substantial economic grant aid for Israel. Israel shall not be destroyed.

Mr. FULTON of Pennsylvania. Mr. Chairman, I ask unanimous consent that I may be allowed to proceed for 1 additional minute.

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

Mr. GROSS. I object.

The CHAIRMAN. Does the gentleman from Pennsylvania ask unanimous consent to withdraw his amendment?

Mr. FULTON of Pennsylvania. I do.

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

Mr. GROSS. Mr. Chairman, I object.

Mr. MORGAN. Mr. Chairman, I thought the gentleman from Pennsylvania would be permitted to withdraw his amendment, but if he does not have that right, of course, I want to oppose the amendment.

Mr. Chairman, Israel is not asking for grant assistance at this time. I am sure if they wanted it, this Congress would grant it to them.

Under the Jackson amendment, which passed the other body and which was approved by the House when it adopted the conference report on the defense procurement authorization bill, this bill constitutes the authorization for the administration's request for $500 million.

Mr. Chairman, Israel seems to be well satisfied with this arrangement. The credit terms are very favorable.

Out of the proposed $500 million, $150 million would be paid back over a period of 10 years at the going rate of interest and $350 million would be subject to a 5-year grace period during which they would pay nothing. This is better than a grant program. Israel is well satisfied with what they are getting under the Jackson amendment.

Therefore, I think this additional request is uncalled for and I doubt that the Prime Minister of Israel requested this amendment.

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

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

Mr. FULTON of Pennsylvania. I had understood indirectly that Israel has made a request of the administration for $50 million in grant aid recently for economic purposes for the coming budget.

Mr. MORGAN. That was before the program under the Jackson amendment was worked out.

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

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

Mr. GROSS. A year or so ago the Foreign Affairs Committee went out of its way to offer Israel economic assistance only to find that what Israel really wanted was jet military planes.

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

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

Mr. LOWENSTEIN. I am just curious to see if the chairman of the committee can explain to me that if this procedure is better, the procedure whereby we give good loans to Israel, is better than grants, why everyone does not want good loans and grants.

Mr. MORGAN. Most other countries cannot get these favorable terms.

Mr. LOWENSTEIN. But they could get good terms.

Mr. MORGAN. I am for these favorable terms, especially in view of the amount of military assistance that other countries are getting in the Middle East.

Mr. LOWENSTEIN. Mr. Chairman, if the gentleman will yield further, I am just curious as to why we do not extend this sort of arrangement to the Cambodians by lending them the money rather than giving it to them.

Mr. SCHEUER. Mr. Speaker, the House will take final action in a few moments on the foreign assistance appropriation bill for the fiscal year ending June 30, 1971. Nearly hidden in this $2.5 billion legislation is an appropriation of $103,810,000 for multilateral organization technical assistance programs, of which $2,000,000 is for U.N. drug control programs that may well provide the answer to the scourge of drug abuse that is in-

fecting our country from Maine to California. This comprehensive U.N. program on drug control will be financed by a Special Fund for Drug Abuse Control.

Designed to assist member nations to establish and improve national drug-control administrations and enforcement machinery, as well as to enlarge the capabilities of U.N. drug control bodies, this fund was created after many months of intensive international negotiations. In July of this year, the Economic and Social Council of the U.N., at the urging of the United States, called for a special meeting of the U.N. Commission on Narcotic Drugs on September 28 to prepare a worldwide plan of attack against the explosive growth of drug addiction. At this session, the Commission recommended a substantial increase in U.N. drug control activities and proposed that a special voluntary fund be established to finance them. Although the United States has traditionally resisted such proposals for separate funds, fearing their endless proliferation, this proposal received our enthusiastic support. On December 14, the U.N. General Assembly gave its approval to the fund.

Administration representatives in testimony before the Senate, indicated that they intended to allocate $2 million to the fund, the amount our U.N. representatives had initially pledged. These funds were above and beyond the administration's original budget requests.

This initial $2,000,000 pledge, while modest, is vital seed money. It is only the beginning of the U.S. commitment, provided that other member nations respond similarly with significant and meaningful contributions. I cannot overstress the importance of such substantial matching contributions. I am sure I speak on behalf of my colleagues from urban, suburban, and rural constituencies alike when I say that all U.N. member nations must join in a common cause to halt drug abuse. Increasing numbers of those nations are becoming victims of heroin, amphetamine, and barbiturate abuse, especially among their youth. Scandinavian, European, and even South American nations are discovering that the United States is not the only victim nation whose young are dying in the streets of heroin overdoses. African diplomats attending the U.N. General Assembly in New York have observed at close quarters the rips and tears in our social fabric caused by narcotic abuse, and fear its spread to their own countries.

If other member nations contribute their fair and appropriate share to the newly established U.N. Special Fund for Drug Abuse Control, I am sure the United States will promptly and substantially increase its own contributions in response. The Fund could then be the source of major new initiatives in solving the narcotics abuse problem around the world. All Members of this body will be watching closely and hopefully the response of other U.N. member nations, to the initial U.S. contribution to the U.N. Special Fund.

Mr. LONG of Maryland. Mr. Speaker, as we consider the fiscal 1971 foreign operations appropriations conference report, I am disturbed that we were unable to retain provisions in the bill which would have tightened congressional control over U.S. contributions to international financial institutions—the Asian Development Bank, the International Monetary Fund, and the International Development Association. To illustrate my concern, I would like to cite my discussion with our Asian Development Bank Representative during our February subcommittee hearing.

Mr. Bernard Zagorin, the U.S. Director of the Asian Development Bank, admitted to me that the ADB was losing money by borrowing money in the German money market and paying more interest on that money than it was receiving on $100 million of unused capital the bank had invested in U.S. Treasury bills and time deposits. I pointed out that the taxpayer should not be asked to subsidize an operation in which money is being borrowed at higher rates than you get on your investment.

I was also disturbed that the Bank's operating expenses were more than $5.6 million last year, while the Bank's gross income—according to Mr. Zagorin—was $12.94 million. Administrative expenses ate up about 40 percent of the profits. This information, combined with reports of sharp increases in the Bank's entertainment allowance and the ADB's policy of making unsecured loans to its employees convinced me that a GAO audit should be made of these funds. And any financial institution that spends the American taxpayer's money this way should be required to give a detailed justification to the Congress of the activities and projects on which our money is spent.

Section 504 of the House version of the foreign operations appropriation bill required the U.S. Comptroller General to audit any project or activity financed by this bill that was undertaken by an international financial institution. Unfortunately, this section and section 505, which provided for detailed justification of the projects and activities undertaken by these institutions with the money provided in this bill, were deleted in Conference.

Sections 504 and 505 were intended to apply only to international financial institutions. However, the Jackson study recommendations for improving the United Nations development program's operations and other material presented to the subcommittee about the operation of this program have convinced me that the requirements for audit and detailed project justification should be applied to all of our contributions to multinational assistance programs.

After all, we do not even have enough resources to meet our domestic needs. When we cannot afford enough classrooms and teachers for our children and adequate medical care for the elderly, we sure cannot afford to forego congressional control over multilateral foreign assistance expenditures.

GENERAL LEAVE TO EXTEND

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days during which to revise and extend their remarks on the conference report just agreed to.

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

There was no objection.

PROVIDING FOR CERTAIN CORRECTIONS IN THE ENROLLMENT OF H.R. 17867

Mr. PASSMAN. Mr. Speaker, I offer a concurrent resolution (H. Con. Res. 791) to provide for certain corrections in the enrollment of H.R. 17867, making appropriations for Foreign Assistance and related programs for the fiscal year ending June 30, 1971, and for other purposes, and ask unanimous consent for its immediate consideration.

The Clerk read the House concurrent resolution as follows:

H. CON. RES. 791

Resolved by the House of Representatives (the Senate concurring), That the Clerk of the House of Representatives, in the enrollment of the bill (H.R. 17867) making appropriations for Foreign Assistance and related programs for the fiscal year ending June 30, 1971, and for other purposes, is authorized and directed—

In respect to the amendment of the Senate numbered 19, restore the matter stricken by said amendment, except the amount of "$272,500,000" and insert in lieu thereof "$200,000,000".

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

Mr. HALL. Mr. Speaker, reserving the right to object, I would like to inquire as to whether the ofttimes and multiple need to correct the RECORD is based on the final push toward adjournment and overwhelming of the Government Printing Office, or whether it is errors on the part of those who seek to file so early, or for any other cause?

Mr. Speaker, I submit that just now we corrected yesterday's RECORD in two different places. As I recall, yesterday we had a similar unanimous-consent request and, of course, such requests should be granted.

I simply take this time to inquire as to whether the fault may lie in the hurry-skurry of the GPO to comply with the excessive demands of the Congress, or whether it is on the part of the overburdened staff that it makes errors sometimes as, to wit, yesterday in the $70 million correction in the RECORD.

Mr. PASSMAN. Mr. Speaker, if the gentleman from Missouri will yield, I want to thank the distinguished gentleman for what he has said. I understand perfectly well the position of the gentleman. We had several printing errors and also one clerical error.

Mr. HALL. Mr. Speaker, I fully agree that the Clerk of the House should have permission to correct these errors, and I have no intention of making an objection, but I simply submit to the Members that, with the overwhelming burden the Congress is making on the Government Printing Office, we can expect nothing else. We should have adjourned sine die, long since.

And as of now I understand we are waiting for the next conference report

to arrive in order that we can quit ourselves of the business of the Government.

Mr. PASSMAN. This concurrent resolution that we offered is to correct a clerical error so that the enrolling clerk may enroll the bill properly.

Mr. HALL. Mr. Speaker, it is not my purpose to point the finger of derision or scorn at anyone who makes an error or is overburdened, but rather it is my purpose to point out to the Members that this "lameduck session" never should have happened.

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

There was no objection.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

COMMUNICATION FROM THE PUBLIC PRINTER

The SPEAKER laid before the House the following communication from the Public Printer:

U.S. GOVERNMENT PRINTING OFFICE,
Washington, D.C., December 15, 1970.

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

DEAR MR. SPEAKER: This is to advise you that in accordance with House Resolution No. 1306 served upon me at 10:30 a.m. this morning by the Clerk of the House, I have in my capacity as Public Printer and Acting Superintendent of Documents forthwith printed, published, and distributed to and for the use of the House of Representatives, the Committee on Internal Security of said House, and those entitled to receive them, including distribution to Depository Libraries and copies for sale to the public, the usual number of copies of the Report No. 91-1732 of said Committee on Internal Security titled, "Report of Inquiry Concerning Speakers' Honoraria at Colleges and Universities."

These actions were accomplished as of 2:00 p.m. this date.

Sincerely,

A. N. SPENCE,
Public Printer.

RESIGNATION FROM A COMMITTEE

The SPEAKER laid before the House the following resignation from a committee:

WASHINGTON, D.C.,
December 15, 1970.

The Hon. JOHN W. MCCORMACK,
The Capitol,
Washington, D.C.

DEAR MR. SPEAKER: Please accept this letter as my resignation as a Member of the House District of Columbia Committee, effective December 16, 1970.

I am grateful for the privilege which has been mine to serve during the 90th and 91st Congresses.

This has been a most rewarding experience and I have enjoyed serving with the Chairman and Members of this Committee.

Most sincerely,

LARRY WINN, JR.,
Member of Congress.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to state that the Chair will entertain unanimous-consent requests to extend remarks in the RECORD, and for 1 minute speeches, with the time being yielded back.

CONFERENCE REPORT ON H.R. 19590, DEPARTMENT OF DEFENSE APPROPRIATIONS, 1971

Mr. MAHON. Mr. Speaker, I call up the conference report on the bill (H.R. 19590) making appropriations for the Department of Defense for the fiscal year ending June 30, 1971, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of December 15, 1970.)

Mr. MAHON (during the reading). Mr. Speaker, I ask unanimous consent that the further reading of the statement of the managers on the part of the House be dispensed with.

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

There was no objection.

The SPEAKER. The gentleman from Texas (Mr. MAHON) is recognized.

Mr. MAHON. Mr. Speaker, this is the conference report on the appropriation bill for the Department of Defense for the current fiscal year.

The conference report provides $66.6 billion in appropriations for the Department—for all of the military services and the Department of Defense. This amount represents a reduction below the budget of about $2.1 billion.

The indications are that during this session of the Congress we will reduce appropriations requested by the President in the total sum of about $1.5 billion. It is evident that most of the reductions will come in this bill.

We recognize that legislation is not an exact science, and compromises must be made between widely varying points of view. There are some of us who feel that in certain categories of defense additional funds would be desirable. But we feel this is the best bill that could be produced at this time.

There were approximately 250 line item differences between the House bill and the Senate bill. There were 58 amendments and some amendments involved a number of line items. We were in conference 3 days with the other body in settling the differences. We are now below the House figure and above the Senate figure in total appropriations.

The following table summarizes the actions agreed upon:

DEFENSE APPROPRIATION BILL 1971—SUMMARY OF APPROPRIATIONS

[Amounts in dollars]

Functional title	Appropriation, fiscal year 1970 (new budget obligational authority)	Budget estimate, fiscal year 1971 (new budget obligational authority)	Passed House	Passed Senate	Conference action	Conference action compared with— 1970 appropriation	Budget estimate	House	Senate
Title I—Military personnel	23,007,914,493	21,032,800,000	20,689,300,000	20,778,575,000	20,734,800,000	−2,273,114,493	−298,000,000	+45,500,000	−43,775,000
Title II—Retired military personnel	2,859,000,000	3,194,000,000	3,194,000,000	3,194,000,000	3,194,000,000	+335,000,000			
Title III—Operation and maintenance	21,534,995,495	19,512,045,000	19,363,630,000	19,211,671,000	19,359,606,000	−2,175,389,495	−152,439,000	−4,024,000	+147,935,000
Title IV—Procurement	17,858,373,462	17,358,600,000	16,243,810,000	15,970,110,000	16,029,110,000	−1,829,263,462	−1,329,490,000	−214,700,000	+59,000,000
Title V—Research, development, test, and evaluation	7,406,748,694	7,345,600,000	6,954,700,000	6,960,100,000	6,975,800,000	−430,948,694	−369,800,000	+21,100,000	+15,700,000
Title VI—Combat readiness, South Vietnamese Forces		300,000,000	358,500,000	300,000,000	300,000,000	+300,000,000		−58,500,000	
Title VII—Special foreign currency program		2,621,000	2,621,000	2,621,000	2,621,000	+2,621,000			
Total, Department of Defense	[1] 72,667,032,144	68,745,666,000	66,806,561,000	66,417,077,000	66,595,937,000	−6,071,095,144	−2,149,729,000	−210,624,000	+178,860,000
Distribution by organizational component:									
Army	23,267,941,402	20,210,665,000	19,642,411,000	19,619,452,000	19,629,187,000	−3,638,754,402	−581,478,000	−13,224,000	+9,735,000
Navy	21,681,703,671	21,200,700,000	20,580,303,000	20,288,503,000	20,406,003,000	−1,275,700,671	−794,697,000	−174,300,000	+117,500,000
Air Force	23,065,431,678	22,055,600,000	21,330,386,000	21,301,561,000	21,361,086,000	−1,704,345,678	−694,514,000	+30,700,000	+59,525,000
Defense agencies/OSD	1,792,955,393	2,084,701,000	2,059,461,000	2,013,561,000	2,005,661,000	+212,705,607	−79,040,000	−53,800,000	−7,900,000
Retired military personnel	2,859,000,000	3,194,000,000	3,194,000,000	3,194,000,000	3,194,000,000	+335,000,000			
Total, Department of Defense	[1] 72,667,032,144	68,745,666,000	66,806,561,000	66,417,077,000	66,595,937,000	−6,071,095,144	−2,149,729,000	−210,624,000	+178,860,000

[1] Includes $760,264,144 allocated from the lump-sum indefinite appropriation in title III, Second Supplemental Appropriation Act, 1970, for the general 6 percent retroactive pay increase.

To know what is in this monumental bill, the biggest appropriation bill of the session, it will be necessary for Members to study the statement of the managers on the part of the House which appears in the CONGRESSIONAL RECORD of yesterday beginning on page 41571 and the conference report No. 91–1759 which is available at this time for the Members. It should be pointed out that the statement of the managers will also appear in the proceedings today on this conference report.

Additionally, several volumes of hearings on this legislation have been available for many weeks to Members, along with the committee reports on the defense bill which were submitted at the time of House and Senate consideration.

Mr. Speaker, I would hope in view of the availability of the information in regard to the content of this very complex bill that Members would rely upon the information that has been made available for study.

As was stated in the House report on the bill, the American people have every right to expect reasonably adequate national defense for $66 billion. Of course wise and prudent management is required. Without wise and prudent management we could spend far more and still not have a satisfactory defense program.

The burden of providing effective military forces is on the executive branch. Congress can provide money and some direction but our military establishment must be managed by the executive branch.

I shall not speak at length in regard to the actions of the conferees, but I would be glad to yield for questions, if there be questions, as to the contents of the conference report.

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

Mr. MAHON. I yield to the disguished gentleman from Iowa.

Mr. GROSS. The fact is, is it not, that this is considerably below the House bill and above the Senate bill?

Mr. MAHON. The gentleman is correct.

Mr. GROSS. In this particular case, whether right or wrong, the Senate was the body that reduced the appropriation in conference.

Mr. MAHON. The gentleman is correct. Very often—I would say usually—the other body increases appropriations, but in the defense bill the other body was definitely below the House. In the conference report we are above the Senate figure.

I yield to the ranking minority member of the committee.

Mr. MINSHALL. Mr. Speaker, there is very little I can add to the excellent résumé that the chairman of the House Appropriations Committee has given on this bill, which is indeed a monumental bill. I would like to add only that it was also a monumental task to come to an agreement with the other body, which we finally succeeded in doing, as the chairman has so ably pointed out, after 3 days of very intensive conference sessions.

Just to summarize in very brief terms, the House bill originally was $1.9 billion under the budget. The Senate bill, as the other body passed it, was $2.3 billion under the budget. What it amounts to, after much conferring and much hauling about, if I might put it that way, is that we finally more or less split the difference and made an actual cut under the President's budget by $2.1 billion. I hope that the House will go along with the conference report.

Mr. MAHON. Mr. Speaker, I yield to the gentleman from Wisconsin (Mr. DAVIS).

Mr. DAVIS of Wisconsin. I think it should be said, unless a general erroneous impression be drawn from the Chairman's colloquy with the gentleman from Iowa, that the Senate bill was almost $400 million less than the House bill; but that does not mean that there were general reductions along the line, because while this is an oversimplification of the matter, it is true that the House had added something over $600 million of unbudgeted funds which we, in our judgment, considered to be critical, primarily the $417 million for modernization of the Navy, and $24 million in order to keep five Air Force Reserve wings in operation. So you can pretty well balance off the difference in the House action and the Senate action by reason of those items which I consider to be critical nonbudgeted additions that were made in the House before the bill went to the other body.

Mr. MAHON. Mr. Speaker, I yield to the gentleman from New Hampshire (Mr. WYMAN).

Mr. WYMAN. I thank the gentleman for yielding. I would like at this time to make clear that in signing the conference report I reserved on amendment No. 20, as did two other members of the conference. I think, in the light of what the gentleman from Wisconsin has just said, it ought to be observed that the conferees on the part of the other body flatly refused to take back to the other body the question of funds for a submarine tender and a destroyer tender. I felt very strongly that with the Soviet Navy expanding as it is we should lose no time in building these vessels, and the failure to fund at least long-leadtime items for these vessels means more delay and, in my opinion, an impairment of the security position of the country.

I am seriously concerned that the other body should have refused to fund this submarine tender and this destroyer tender. It seems to me that the record shows over recent years that Soviet advances in this field are a cause for concern, not only to military men, but also to civilians and to many of our friends abroad. I feel that it is up to us to keep our military modern and fully funded without waste, and I think amendment No. 20 ought not to have been agreed to.

Mr. MAHON. I would like to thank the gentleman from New Hampshire for his comments.

The House conferees stanchly supported this House provision in regard to the $417 million for the additional ships. It was not possible for the House conferees to prevail. We did get the submarine and advanced procurement for a second submarine. Despite our efforts, we were not able to get the tenders to which the gentleman made reference.

Mr. WYMAN. And the conferees would not take this item back to the other body even for a vote on this.

Mr. MAHON. The gentleman is correct.

Mr. ANDREWS of Alabama. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Alabama.

Mr. ANDREWS of Alabama. Mr. Speaker, I concur with what my friend, the gentleman from New Hampshire, said. I took the same position he did with reference to amendment No. 20.

Mr. MAHON. I would say to the gentleman, all the House conferees signed the report, and we all supported the House position with regard to the inclusion of the ships.

Mr. ANDREWS of Alabama. We took exception to amendment No. 20.

Mr. MAHON. The gentleman signed the conference report with a reservation as to amendment No. 20 but all members on the part of the House supported the ship provision in the House bill.

Of course, I think we all agree that a formal budget estimate in support of the ships would have been a more appropriate and orderly procedure.

Mr. ANDREWS of Alabama. I would like to say briefly, Mr. Speaker, I am seriously worried about our Navy. We have neglected our Navy for the last 15 or 20 years. On the other hand, the Russians have had a phenomenal buildup of their Navy.

Our committee added funds for four new ships and additional service craft. We were able to retain in conference only one submarine and long-lead items for a second submarine. We have been told by Naval experts—and this is serious—that if we were to spend at the rate of $5 billion a year trying to modernize our Navy, it would take us 5 years to do it.

Mr. WYMAN. Mr. Speaker, if the gentleman would yield to me further to make an observation, I would like to comment on what the gentleman has said, that more than 50 percent of our Navy consists of ships more than 20 years old, whereas almost all the ships in the Soviet Navy have been built in the last decade.

This situation becomes clear to us when we witness what has happened with the 6th Fleet recently, and has happened in the Mediterranean. That has given us a picture of our inability to wage nonnuclear war and meet contingencies and crises as they develop all over the world. It behooves us, as the Defense subcommittee, to see to it that we have advance funding so we can restore this imbalance.

Mr. ANDREWS of Alabama. I will say to the gentleman that ours is fast becoming a second-rate Navy.

Mr. WYMAN. There is no question about it.

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

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

Mr. MIKVA. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I would like to make inquiry, if I may, as to how much money is in the final appropriation bill, as re-

flected in the conference report, for military surveillance of civilians, if the chairman knows the answer to that question.

Mr. MAHON. I do not have the answer to that question, but I do not support any military surveillance of civilians. I know there has been some action in that direction, which I do not support nor condone, I will say to my friend.

Mr. MIKVA. I appreciate the chairman's comment. Today's Washington Star contains a story which shows that the distinguished junior Senator from Illinois, a very distinguished jurist and former Governor of Illinois, and I have been the subjects of military surveillance in the Chicago area, presumably because of our criticism of the President's policy on the war.

I intend to abstain from voting on this conference report, so there will be no question that I am voting my personal spleen, and I must confess at this point I am outraged as a personal matter, but I am even more deeply distressed that if this story is true as to what is happening in Chicago, it goes without saying that it is similarly happening in other States and cities throughout the country. If so, we have reached a frightening crisis on the question of civilian control of the military.

Indeed the informant, a former staff sergeant who was in military intelligence for 5 years in Chicago, stated, that when he made inquiry as to why it was going on, he was told by a superior that the military was doing it rather than the FBI or the Secret Service because the military had more manpower.

Mr. Speaker, I hope to take a special order on this subject in the next day or two, and I understand Senator ERVIN in the other body is equally concerned.

I am delighted to hear the chairman's expression of his concern.

It grieves me deeply, again not as a personal matter as much as what this means for the country. The military is apparently engaging in surveillance over elected officials, including Members of the Congress, because of their criticism of the President's policies. Today it may be surveillance over a liberal's criticism of the President's war policy. Tomorrow it may be surveillance over a conservative's criticism of the President on some other policy.

Surely this is not a matter that can be taken lightly. I hope that the chairman will also use his great offices to see to it that whatever military surveillance of civilians is going on will be thoroughly investigated and rooted out, and that every person who has condoned or authorized this kind of surveillance will be separated from Government service.

I thank the gentleman for yielding.

Mr. MAHON. I share the feeling of outrage expressed by the gentleman from Illinois, if the story as reported is correct. I have not had an opportunity to read the story. I shall read it. I shall make inquiries and investigations that would be pertinent and do what can be done to prevent a recurrence of what is alleged to have happened in Chicago.

I thank the gentleman for his comment.

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

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

Mr. YATES. I, too, want to join with my colleague from Chicago in stating that I am outraged by that report in the newspaper. I am very pleased that the gentleman from Texas, the chairman of the Defense Subcommittee, has indicated that he intends to go into the question. I had intended to write a letter to the chairman of the Defense Subcommittee asking him to make a very strong and serious investigation of this story. In view of his statement to the House, I hope that he will, as he indicated, go into the matter very seriously and very strongly in order to get to the bottom of the story.

Mr. MAHON. I thank the gentleman.

I would say that over a period of years the Committee on Appropriations has been dissatisfied with some of the aspects of the intelligence operations of the Department of Defense. We have had extensive hearings and we have registered many complaints, and we have stopped some procedures that were in progress. We will continue our very aggressive interest in learning of the activities of our intelligence people and in taking appropriate action.

I believe it might be well to point out in connection with these efforts that in the pending bill we made reductions in the appropriations for intelligence and communications. There is a $28 million cut in military personnel and some $22.6 million in operation and maintenance reductions in this bill.

We continue to be dissatisfied with many of the operations of the Department of Defense in the field of intelligence. We shall not relax our interest or our efforts.

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

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

Mr. MINSHALL. As the chairman probably will recollect, we have had extensive hearings on this subject in our subcommittee. The military at that time gave us full assurance that they gave their files on any of these civilians to the FBI. The military are no longer engaged in surveillance, but only concerned so far as getting security clearances for people seeking very sensitive jobs in the Federal Government.

Mr. MAHON. I thank the gentleman.

I should like to say, Mr. Speaker, that the total provided in the conference bill is greater than the total provided in any Defense appropriation bill, except for three bills, since the Korean war in the early 1950s. Supplemental bills have increased totals for fiscal years but there will be a supplemental for this fiscal year when Congress returns next session.

The bill is less than those of the past 3 years, fiscal years 1968, 1969, and 1970. In those years, spending for the war in Southeast Asia was at a peak level. The amount we are spending on the war has been reduced more sharply than have Defense appropriation bills. Inflation has had a heavy impact on the Department of Defense. We are shifting Defense spending from war-related areas to the modernization of the forces. Next year increased defense spending is anticipated.

I should like to point out that statements have been made by representatives of the executive branch that reductions will be made at certain military bases. It is true that some military bases are no doubt scheduled for reductions in personnel or perhaps for closing.

Funds for the operation of our bases come from the approximately $20 billion appropriated for operation and maintenance. I should like to state for the information of the House what we did in the field of operation and maintenance. I make this statement for the purpose of pointing out that any reductions in personnel or any closings of bases should not be attributed to the actions taken on the pending bill but to longstanding plans of the executive branch.

In the area of operation and maintenance, a total appropriation of $19.3 billion is provided in the conference agreement. This is only $152 million less than the amount requested. The deletions made are specific and are in areas such as departmental headquarters, automatic data processing, and intelligence.

All year we have known, as a result of decreased defense spending, due to the slowdown of the war, the Defense Department has been planning to make reductions in personnel at some installations. Good management at times requires reduction in personnel. An announcement of base cutbacks will probably be forthcoming early next year. I want to make it clear, too, as I said previously, that whatever bases cutbacks are forthcoming have been in the planning stage for many, many months and will be the result of the plans of the executive branch and will not be the result of congressional budget reductions.

Now I yield to the distinguished gentleman from Missouri (Mr. HALL).

Mr. HALL. Mr. Speaker, I appreciate the gentleman yielding and also appreciate his statement.

Would he not also say that there has been about a $1.3 billion reduction under procurement under title IV of the bill?

Mr. MAHON. The gentleman is correct. We made reductions in procurement in most cases on the basis of the fact that certain programs were not ready to proceed from development into production and that we ought to give more credence to a program or policy of "fly before you buy." That was one of the major factors involved in the reductions we made in procurement.

Mr. HALL. Mr. Speaker, I simply wanted to bring that out for the RECORD inasmuch as the distinguished chairman has already said a great reduction was made in operation and maintenance. I do not intend my observation to be critical, in any sense of the word but just to further what he was saying about the reduction.

I am one of those who are truly worried, in view of intelligence briefings and information available to Members of Congress on a need-to-know basis, that we are rapidly becoming a second-rate defensive power before we let the people

of America know what is going on. Although I do not criticize this conference report in any sense of the word, rather, I am glad it is under the House figure and under the budget, if we can still afford it and have a satisfactory defense. I am glad to see that we have the naval items which begin a long-needed capital equipment expenditure in the field of appropriations insofar as possible.

I really arose, Mr. Speaker, to ask the gentleman to discuss the procurement of aircraft and missiles under Navy, amendment 17 in the conference report on page 9 in particular. Having been a member of the Airlift Subcommittee of the legislative committee, as well as a member of the Research and Development Subcommittee, since I have been in the Congress; and vitally interested in vertical takeoff and very short takeoff and landing capabilities, there is one item I believe in the third paragraph which is important. I would compliment the committee on keeping the A–6E and certainly the E–2C's in. I am sorry that the hunter-killer antisubmarine planes have not been funded.

But my particular question here goes to the one statement based on the procurement request of 18 aircraft in the United Kingdom. The reason why I raise that question, Mr. Speaker, is because the distinguished chairman saw fit to discuss it with me previously. There is an agreement by the Hawker-Siddeley people who make the Harrier or the AV–8A that part of it is to be configured in the United States, if there is a follow-on. The legislative committee specified, of course, that there should be the usual "buy American" clause therein.

And, that this would seem to negate that insofar as the initial test program or pilot program for procurement is concerned.

Mr. Speaker, my fundamental concern I would say to the Members of the House is because we need to establish a "hot line" along with these lines as well as along the lines of jet aircraft engines.

I would predict that the Harrier would be used by other services than the Marine Corps after it has proved its efficiency. Many of us have seen it demonstrated. I would hope that we would not always continue to procure abroad, however, as long as we have so much research and development funds in the development of the Harrier in a tri-country participation program.

I am glad that we are going ahead and are procuring these planes on a pilot basis. I have no particular objection to procuring the 18 from the United Kingdom.

However, I hope the Appropriations Committee in its wisdom would allow continental U.S. production in consideration of future orders, on the insistence of the authorizing committee, as far as the further procurement of the Harrier is concerned.

Mr. MAHON. I thank the gentleman for his statement. First of all, I would like to call to the attention of the distinguished gentleman from Missouri that we did fund the S–3A antisubmarine aircraft of the Navy. Actually we placed the necessary funds in the research and development budget without delaying the program.

The position of the Committee on Appropriations with respect to the AV–8A Harrier aircraft is that until the services make up their minds as to what plane they want for close air support, we should not go to the expense of establishing a new production line in this country. We provided last year 12 Harrier planes manufactured in England, and we said this year that if the services will agree on a rather large Harrier program, we feel the production should be in this country. That decision, of course, has not been made by the Department of Defense. In the interim, therefore, we provide in this bill $64 million for the purchase of 18 additional Harrier aircraft for the Marine Corps from the United Kingdom.

It is hoped that by next year the Department of Defense will have made up its mind as to where it wants to go with respect to close support aircraft. If the Department of Defense wants to go forward in an all-out Harrier program, we believe, as I think the gentleman certainly believes, that the production should be in this country. As it was proposed, about one-half of the airframe would be manufactured and bought in England and all of the engines.

I do believe that the long-range future holds a great deal for the Harrier-type V/STOL aircraft. I believe that the other military services one of these days will come to some sort of program which will embrace this idea. When we know more about what the future holds and what the services really want, then we can cross that bridge.

Mr. HALL. I thank the gentleman for his response to my question. We are in essential agreement. Again, I compliment the committee.

I will just make an additional point and that is that if we always wait for the services and the Department of Defense to make up their mind, without the Congress taking the role of fulfilling its responsibility under the Constitution to raise and support the Armed Forces, we might not have them; we would not have the atomic-powered nuclear submarines and the capital ships and the AR–16 and we would not have military strategic airlift and many other things, but we do have them because the Congress has taken the initiative.

I thoroughly agree with the distinguished gentleman that in this instance we ought to wait until they make up their mind.

I appreciate the gentleman's statement.

Mr. MAHON. There are other attractive U.S. candidates for the close support aircraft and that was one of the factors involved in the decision of the committee.

Now, in view of the questions raised by the gentleman from Missouri (Mr. HALL), I should like to say this: I think that all of us who have studied this bill intimately are concerned about the adequacy of some of our defense programs, and we are concerned about some of the reductions that were made. In view of the atmosphere in the Congress, it was inevitable that many reductions had to be made this year. In my opinion, if we are to maintain our military superiority, if we are going to avoid being outgunned strategically and otherwise, we are going to have to do more in certain areas of defense than we are doing in the pending bill.

I would predict that unless the talks with the Soviet Union are fruitful that the next budget will have to be above this budget.

Now, with respect to language, the Senate had placed two general provisions in the bill. One would have prohibited U.S. combat forces from entering Laos, Cambodia, or Thailand and the other would have prevented Vietnamese or other free world forces from supporting the Governments of Laos or Cambodia.

The House felt that, due to the uncertainty of future events in Southeast Asia, the Senate provisions could prove to be unduly restrictive. We suggested, and the Senate conferees agreed, to add further provisions making it clear that there is no intention to prohibit activities which would aid in the safe and orderly withdrawal of American forces from Southeast Asia or actions taken to release Americans held as prisoners of war.

Mr. DAVIS of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Wisconsin.

Mr. DAVIS of Wisconsin. Mr. Speaker, I think in reference to the comments of the gentleman from Missouri that it should be pointed out that some of the reductions which appear on paper in the procurement field are not in fact actual reductions in procurement capabilities in that $200 million—if my recollection is correct—was made available by transfer from the various stock funds. So that the paper showing of a reduction of procurement funds does not in fact amount to the amount that is shown here at this time.

Mr. MAHON. The gentleman is correct.

Mr. DAVIS of Wisconsin. Mr. Speaker, I thank the gentleman for yielding.

Mr. MAHON. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Florida (Mr. SIKES).

Mr. SIKES. Mr. Speaker, in the effort to bring to the House a bill which contributes to, rather than cripples, national defense, the House conferees have given more time and effort than has been required by any Defense bill in years. It can be said that we have brought back a better bill than the bill which passed the House on October 8. It also is a better bill than the one which passed the Senate earlier this month. Had we taken the best of both bills, we could have brought to the floor a very good bill making important contributions in many needed areas of defense. That is not what we have done. This bill contains cuts which I think are damaging on top of very low budget estimates and it is a barebones bill throughout. Nevertheless, the present bill is the best of the three. The distinguished chairman of the House committee, the gentleman from Texas (Mr. MAHON), provided outstanding leader-

ship in the work to produce the best bill possible under the circumstances.

It is very short on funds for operation and maintenance and this, of course, is the very heart of the Military Establishment. Without adequate funds for operation and maintenance, no military program can be effectively carried on. It must also be considered that cuts in O. & M. funds put more people out of work. At a time when the Nation's unemployment is at the highest level in 7 years and at a time when defense funding already has been cut to the bone, it reflects poor judgment to further handicap the operations of the services when this also deprives additional personnel of employment. The House initially had cut approximately $300 million from the budgeted figure on operation and maintenance. The resulting situation was sufficiently serious to induce the House committee to move to restore $150 million of this amount on the floor of the House. Subsequent to the initial House reduction, it was found that there are very significant increases in O. & M. costs of $320.6 million above the budgeted amounts for fiscal year 1971. In other words, the restoration of $150 million by the House is less than half of the anticipated increases of O. & M. costs above the budget. Nevertheless, the Senate eliminated the $150 million add-on which the House had approved. In this bill we accomplish the restoration of only $120 million of that amount. Thus we are left with a seriously reduced fund for operation and maintenance. I do not consider this a healthy situation.

I am also greatly disappointed in the conference action on funds which had been added by the House for shipbuilding. Instead of $417.5 million which was provided in the House bill and which comprised four needed ships plus service craft, the conferees have settled on two submarines only, with a total appropriation of $188.5 million. We have not covered ourselves with glory by this action. It is a known fact that Russian progress in ship modernization is progressing far faster than ours. We are turning our backs on this ominous picture despite a clear mandate from the House that it supports at least a measure of improvement in this field.

In the main, we have strengthened the House bill on research and development in that the conferees agreed to the restoration of a number of important programs which are needed for force modernization. The Senate made cuts in a great many R. & D. programs in each of the services. Approximately half the amounts of these reductions has been restored with responsibility given to the services, where it belongs, to determine where cuts can best be taken in R. & D. The area of research and development is more important than many seem to realize.

Evidence is continuing to accumulate that the Soviet Union is steadily expanding its military R.D.T. & E. at a rate of about 10 percent per year while we have been holding ours essentially constant. In terms of results—weapons systems ready for production, technology advances and so forth—we can now see that the U.S.S.R. and the U.S. efforts were approximately even from 1960 to 1968; but since 1968 the Soviets have been expanding while we have not. In part, this is the cost to us of the war in Vietnam. In the Soviet budget for the coming year another 10-percent increase is planned for military R.D.T. & E. This means that the Soviet military R.D.T. & E. program is greater than ours by at least 30 percent.

We have been fortunate in having accumulated technological lead and in having held it through the 1960's. But there is not much chance of keeping this position under the heavier investment by the Soviets, regardless of how efficient our scientists and engineers and managers try to be. The Soviets are efficient, too. There is great advantage to the Soviets in taking the technological lead away from the United States in as many military areas as possible as soon as possible—and there are grave risks to us in military effectiveness, intelligence effectiveness, and political effectiveness when they do so. The big booster technology advantage the Soviets enjoyed in the early 1960's is only one example.

At the very least, we should give our scientists and engineers and managers flexibility and enough funds to develop alternative possibilities in areas quite likely to be critical. The choices of areas are not easy, particularly when we know that the Soviets are now in a position to cover more of them than we are.

In the field of procurement, the bill approved in the conference is better than the House version. It provides for the restoration of funds which are needed for the improved Hawk missile, for Nike-Hercules modifications, and for the Lance missile and spares. The conference report also approves the new land combat support system with spares and modifications. It provides for tracked command post carriers and for support equipment such as landing craft. All of these are for the Army.

For the Navy, the conference report makes restoration of funds for the A6E Intruder aircraft and spares, and for the E2C Hawkeye early warning aircraft and spares. It restores funds needed for the common ground equipment or VAST program. The bill also provides additional funds for the Mark 46 torpedo and the Mark 48 torpedo.

For the Air Force, the bill now before us retains the international fighter aircraft, the SRAM, and spares for the F–111. And, importantly, in R. & D. the bill contains funds for Minuteman rebasing; for AWACS, the airborne warning and control system; and for Minuteman operational base launch.

General agreement was obtained upon the language provisions in the bill and this is a significant improvement over the Senate version. In that bill limitations have been adopted which simply would have been destructive to U.S. and allied aims for a just and honorable peace and a successful ending to the war in Vietnam.

This is a big bill. From that standpoint it should provide sufficient funds for America's defense needs. It is more significant, however, that defense costs have increased materially and, in fact, this bill is considerably smaller in amount of defense it will provide than any bill the Congress has been asked to approve in years. This is a trend which must not be allowed to continue. Fund reductions and language limitations are slowly strangling America's defense. It has been said countless times that no second-rate defense can be effective. We are not keeping pace in modernization with the Russians. Instead, we are cutting back on our defenses at a time when theirs are being improved. Everyone knows this. We should be very concerned and we should stand together for an adequate and a strengthened defense. Yet it has taken days in conference to reach agreement on this modified and scaled-down defense program. I hope the American people will awaken to the danger of a defense which is too little and too late, and that in the years to come there will be insistence from the people back home that the Congress provide more adequately for the requirements of those who must guard our frontiers and stand by our commitments. They are putting their lives on the line. At the least we should provide the dollars needed to back them up.

Mr. MAHON. Mr. Speaker, I yield such time as he may require to the gentleman from Mississippi (Mr. WHITTEN), distinguished member of the committee.

Mr. WHITTEN. Mr. Speaker, I take this time to say that other Members have pointed out how many days we spent on the hearings on this bill. You can look at the total funds contained in the bill and see how big and enormous the job was and is.

In view of some statements that have been made, there are one or two facts that I think I should call attention to.

First, I agree with my colleagues about the need for additional ships in the Navy. I believe all of the House conferees were in agreement and supported the House position. We were unable to get the conferees on the other side to go beyond the submarine and funds for long lead-time items on another. I then signed the report for it was necessary if we were to have a bill. But there seems to be a report that we cannot afford to make the reductions we have made in funds made available in this bill.

May I say we can and should make the overall reductions though I differ somewhat from many of my colleagues as to where. I would call your attention to the fact that in addition to the funds in this bill, the Department of Defense now has unobligated over $6 billion. They have unspent over $38 billion. Now, true it is that all of that money was appropriated for specific purposes, but it could be used in any emergency that may arise, any unforeseen emergency, and Congress could straighten the matter out later.

Also, recognizing the fact as to how enormous this situation or this problem is and how problems we do face throughout the world, the bill provides language for the transferability of $600 million. So those of you who may be disturbed because your committee has tried to hold down to a sensible level the total amount in this bill, I do want you to know that

there are enough escape clauses and there remains enough unspent and unobligated billions of dollars that I cannot see anything that could arise that could not easily be met.

It is true, again, that the Congress might have to meet thereafter and straighten it up, but we could do that and for those who may be disturbed at our reduction in funds in the bill, I thought the RECORD should show these facts at this point.

Mr. MACDONALD of Massachusetts. Mr. Speaker, I reluctantly rise today to oppose the adoption of the conference report on the Department of Defense appropriations for fiscal year 1971, for I find that there is very little in this measure which warrants its approval by this body. To the contrary, I believe that there is much in it which is cause for grave concern.

Specifically, I refer to the amendment which the House and Senate conferees adopted yesterday just before reporting out the bill. The conferees drastically weakened the amendment which was offered by Senators COOPER and CHURCH which would have made clear the intent of Congress that no funds covered by the bill could be used for the introduction of American ground troops into Thailand, Laos, or Cambodia. The language adopted by the conferees states that—

> Nothing in this section should be construed as prohibiting the President from taking action in said areas to promote the safe and orderly withdrawal or disengagement of U.S. forces from Southeast Asia or to aid in the release of Americans held as prisoners of war.

If the House agrees to this language by adopting the conference report now before us, we will have missed yet another opportunity to indicate to the President that our foremost concern is extricating ourselves from the war in Southeast Asia as rapidly as possible and preventing the loss of thousands more American lives. We had the opportunity when the original Cooper–Church amendment was being debated last spring, however, in that instance too the House reduced the effectiveness of the amendment.

I would also point out to my colleagues that the administration had not opposed the new Cooper–Church amendment which the other body adopted. In fact, the testimony of administration officials indicated that they accepted the prohibition as a foregone conclusion. What our colleagues in the Senate sought to do, therefore, was to put this tacit understanding into a more explicit form. Why the conferees saw the need for a disclaimer is a question which, for me, has not been answered satisfactorily.

My conversations with the leadership in the Senate indicate that that body may spend several days in resolving the controversy over this conference report, yet here in the House we are prepared to dispense with it after only an hour's debate. I suggest that we stop "copping out" on our share of the responsibility for matters such as this and open up this measure to the close scrutiny which it deserves.

There is also the matter of putting this $66.6 billion appropriations measure into perspective, and in so doing I do not have to look beyond my own Seventh Congressional District of Massachusetts to find an example.

The naval hospital in Chelsea, Mass., is a 129-year-old facility which provides much needed treatment and rehabilitation for our wounded and disabled servicemen. As such, it serves the entire New England region with its 710-bed capacity. The need for a larger and more modern structure has been apparent for many years. Today, the Chelsea Naval Hospital is struggling to provide adequate treatment for the veterans who must depend on this facility.

This tragic situation could be alleviated by the construction of a proposed new naval hospital in Chelsea. Congress has already authorized the funds for this project, however, an additional $6 million is necessary before construction can actually begin. This year, just as last year, we are told by the Bureau of the Budget that these funds cannot be found. I suggest that they can be if we look hard enough. One place to start would be the conference report before us today. Among other things it will provide $200 million to bail out Lockheed Aircraft Co. and $18 million for the development of a new jet fighter that the Department of Defense did not even want. Apparently, there will be no trouble finding the money for these undertakings.

While it is with some reluctance that I vote against this entire defense appropriations measure, I am prepared to do so out of the sincere conviction that in its present form it will do more harm than good.

Mr. PRICE of Texas. Mr. Speaker, the report of the House-Senate Conference Committee reconciling House and Senate differences on Department of Defense appropriations was truly a compromise. The House passed figure of $66.8 billion was reduced by almost $211 million; while the Senate passed figure of $66.4 billion was increased by about $178 million. The final result was an agreement of $66.6 billion, about $2.1 billion less than the amount thought to be "rock bottom" by the Department of Defense and the administration.

I support the conference report because it does represent what does appear to be the final thinking of the majority of the House and Senate on the subject of Defense appropriations. At the same time, however, I cannot help but point out the fact that Congress has failed to fully fund Department of Defense needs for the coming fiscal year.

The Department of Defense, like every large organization—specially those in Government rather than industry, is subject to a certain amount of bureaucratic waste and mismanagement. Under the Nixon administration, however, extensive and relatively successful efforts have been made by the President, Secretary of Defense Laird, and other key personnel to reduce waste associated with military programs. These efforts have culminated in the administration's $68.7 billion barebones dollar budget request for fiscal year 1971, a request which Congress reduced by over $2 billion.

I view this action with great concern, Mr. Speaker. Tampering with our national defense system is no trifling matter. I realize there are those in both this and the other body who think the Communist menace is more fanciful than real, and that maintaining a strong national defense is not of paramount interest; but, to those individuals I would suggest that they take a good look at world trends and developments over the last 30 years.

Even before World War II, the Communists started a relentless battle to extend their influence and control over men and nations. Since that time entire countries have been treated as merely means to the goal of Communist world control.

Once apprised of this threat to freedom, the United States has attempted to counter and frustrate the Communists' conspiratorial designs whenever and wherever possible. Despite all efforts, though, the ideological map of the world has, as we all know, changed greatly over the past three decades. It started with the post-World War II take over of what has since become known as the captive nations; the most recent manifestations of the Communist conspiracy have occurred in Southeast Asia, the Middle East, South America, and Cuba.

The chief obstacle standing in the way of Russia's avowed aim of global conquest is the United States. For history has assigned us the role of defending freedom in the world at this moment in time.

Until now, this Nation has not shirked its awesome responsibilities; it has defended freedom with distinction and with pride. At the present time, however, there are voices calling for the United States to pull back from its commitments to the free world. These neoisolationists talk in terms of establishing new priorities, but what they are really saying is reduce defense spending and lower military preparedness. What they fail to realize is that if this Nation fails to keep its defenses strong, it will become easy prey to the Russians who have warned the United States, "We will bury you."

Mr. Speaker, a few weeks ago, the distinguished chairman of the Armed Services Committee, Mr. RIVERS, warned Congress and the American people of the disasterous and possible fatal consequences that would flow from Russia's achieving military superiority over the United States. He also warned of the very real possibility that the United States is in the process of losing its military edge over the Russians. These views are entitled to great weight, because MENDEL RIVERS is acknowledged as one of the foremost experts on the subject of national defense and military preparedness. In addition, his warnings have been echoed by military planners and strategic thinkers both in and out of Government.

The conclusion is obvious. We dare

not let our military forces become second rate to the Russians. It is truly a life and death matter; not only for this Nation, but for the world.

This then is why I strongly believe that Congress must not trifle with the military budget especially when that budget is, as it has been, pared right down to the bone. The stakes are too high and the risks are too great for Congress to scrimp on defense spending. It is just not worth it.

Mr. Speaker, as I stated at the outset, I will support the conference report. During the 92d Congress, however, I plan to address myself to the issue of military preparedness and I will attempt to persuade my colleagues to fully fund the future activities of the Department of Defense. At such time, I will contrast our strategic capabilities in key areas with those of the Russians. And, in the areas where this Nation is found wanting, I fervently hope Congress will take up the slack and will redress the imbalance.

The security and future of this Nation and that of the free world depends on the responses that are made to the strategic situations we face in this, the latter third of the 20th century.

Mr. MAHON. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore (Mr. ALBERT). The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. MAHON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 328, nays 30, answered "present" 2, not voting 73, as follows:

[No. 415 Leg.]

YEAS—328

Abbitt	Bow	Clausen, Don H.
Abernethy	Brademas	Clawson, Del
Adair	Bray	Cleveland
Adams	Brinkley	Collier
Addabbo	Brock	Collins, Tex.
Albert	Brooks	Colmer
Alexander	Broomfield	Conable
Anderson, Calif.	Brotzman	Conte
Anderson, Ill.	Brown, Mich.	Corbett
Anderson, Tenn.	Brown, Ohio	Corman
Andrews, Ala.	Broyhill, N.C.	Coughlin
Andrews, N. Dak.	Broyhill, Va.	Cowger
Annunzio	Buchanan	Cramer
Arends	Burke, Mass.	Crane
Ashley	Burleson, Tex.	Culver
Ayres	Burlison, Mo.	Daniel, Va.
Barrett	Burton, Utah	Davis, Ga.
Beall, Md.	Bush	Davis, Wis.
Bell, Calif.	Byrne, Pa.	de la Garza
Bennett	Byrnes, Wis.	Delaney
Berry	Cabell	Dellenback
Betts	Caffery	Denney
Bevill	Camp	Dennis
Biaggi	Carey	Dent
Biester	Carney	Derwinski
Blanton	Carter	Devine
Blatnik	Casey	Diggs
Boggs	Cederberg	Dingell
Boland	Chamberlain	Donohue
	Chappell	Dorn
	Clancy	Downing
	Clark	
Duncan	Kluczynski	Rodino
Dwyer	Kyl	Roe
Eckhardt	Kyros	Rogers, Colo.
Edmondson	Landgrebe	Rogers, Fla.
Edwards, La.	Landrum	Rooney, N.Y.
Eilberg	Latta	Rooney, Pa.
Erlenborn	Leggett	Rostenkowski
Eshleman	Lennon	Roth
Evans, Colo.	Lloyd	Roudebush
Evins, Tenn.	Long, Md.	Rousselot
Fascell	Lukens	Ruppe
Feighan	McClory	Ruth
Findley	McCloskey	St Germain
Fish	McClure	Sandman
Fisher	McDade	Satterfield
Flood	McDonald, Mich.	Saylor
Flowers	McEwen	Scherle
Foley	McFall	Schmitz
Ford, Gerald R.	McMillan	Schneebeli
Foreman	Madden	Schwengel
Forsythe	Mahon	Shipley
Fountain	Mailliard	Shriver
Frelinghuysen	Mann	Sikes
Frey	Marsh	Sisk
Friedel	Martin	Skubitz
Fulton, Pa.	Matsunaga	Slack
Fulton, Tenn.	Mayne	Smith, Calif.
Fuqua	Meeds	Smith, Iowa
Galifianakis	Melcher	Smith, N.Y.
Garmatz	Michel	Snyder
Gaydos	Miller, Calif.	Springer
Gettys	Miller, Ohio	Stafford
Gibbons	Mills	Staggers
Gonzalez	Minish	Stanton
Goodling	Mink	Steed
Gray	Minshall	Steele
Green, Oreg.	Mizell	Steiger, Ariz.
Griffin	Mollohan	Steiger, Wis.
Griffiths	Montgomery	Stephens
Gross	Moorhead	Stratton
Grover	Morgan	Stubblefield
Gubser	Morse	Sullivan
Hagan	Mosher	Symington
Haley	Murphy, Ill.	Taft
Hall	Murphy, N.Y.	Talcott
Halpern	Myers	Taylor
Hamilton	Natcher	Teague, Calif.
Hammer-schmidt	Nelsen	Teague, Tex.
Hanna	Nix	Thompson, Ga.
Hansen, Idaho	Obey	Thomson, Wis.
Hansen, Wash.	O'Hara	Udall
Harsha	Olsen	Ullman
Harvey	O'Neal, Ga.	Van Deerlin
Hathaway	Passman	Vigorito
Hays	Patman	Waggonner
Heckler, Mass.	Patten	Wampler
Helstoski	Pelly	Ware
Hicks	Pepper	Watson
Hogan	Perkins	Watts
Holifield	Pettis	Weicker
Hosmer	Pickle	Whalley
Howard	Pike	White
Hull	Pirnie	Whitehurst
Hungate	Poage	Whitten
Hunt	Poff	Widnall
Hutchinson	Pollock	Wiggins
Ichord	Preyer, N.C.	Williams
Jacobs	Price, Ill.	Wilson, Bob
Jarman	Pryor, Ark.	Winn
Johnson, Calif.	Pucinski	Wyatt
Johnson, Pa.	Quie	Wydler
Jonas	Quillen	Wylie
Jones, Ala.	Randall	Wyman
Jones, N.C.	Rarick	Yatron
Jones, Tenn.	Reid, Ill.	Young
Karth	Reid, N.Y.	Zablocki
Kazen	Rhodes	Zion
Keith	Roberts	Zwach
King	Robison	

NAYS—30

Bingham	Harrington	Rosenthal
Brasco	Hawkins	Roybal
Brown, Calif.	Hechler, W. Va.	Ryan
Burton, Calif.	Kastenmeier	Scheuer
Clay	Koch	Stokes
Collins, Ill.	Lowenstein	Vanik
Conyers	McCarthy	Waldie
Edwards, Calif.	Macdonald, Mass.	Whalen
Fraser	Nedzi	Yates
Green, Pa.	Reuss	
Gude		

ANSWERED "PRESENT"—2

Mikva	Riegle

NOT VOTING—73

Ashbrook	Button	Dickinson
Aspinall	Celler	Dowdy
Baring	Chisholm	Dulski
Belcher	Cohelan	Edwards, Ala.
Blackburn	Cunningham	Esch
Bolling	Daddario	Fallon
Burke, Fla.	Daniels, N.J.	Farbstein
Flynt	McCulloch	Purcell
Ford, William D.	McKneally	Railsback
Gallagher	MacGregor	Rees
Giaimo	Mathias	Reifel
Gilbert	May	Rivers
Goldwater	Meskill	Schadeberg
Hanley	Mize	Scott
Hastings	Monagan	Sebelius
Hébert	Morton	Stuckey
Henderson	Moss	Thompson, N.J.
Horton	Nichols	Tiernan
Kee	O'Konski	Tunney
Kleppe	O'Neill, Mass.	Vander Jagt
Kuykendall	Ottinger	Wilson, Charles H.
Langen	Philbin	Wold
Long, La.	Podell	Wolff
Lujan	Powell	Wright
	Price, Tex.	

So the conference report was agreed to.

The Clerk announced the following pairs:

Mr. O'Neill of Massachusetts with Mr. Hastings.

Mr. Hébert with Mr. Vander Jagt.

Mr. Long of Louisiana with Mr. Dickinson.

Mr. Henderson with Mr. Edwards of Alabama.

Mr. Thompson of New Jersey with Mr. Button.

Mr. Wolff with Mr. Belcher.

Mr. Celler with Mr. Ashbrook.

Mr. Flynt with Mr. Cunningham.

Mr. William D. Ford with Mr. Blackburn.

Mr. Gallagher with Mr. Esch.

Mr. Rivers with Mr. Burke of Florida.

Mr. Hanley with Mr. O'Konski.

Mr. Nichols with Mr. McCulloch.

Mr. Moss with Mr. Kleppe.

Mr. Monagan with Mr. Horton.

Mr. Daniels of New Jersey with Mr. Kuykendall.

Mr. Giaimo with Mrs. Chisholm.

Mr. Kee with Mr. Schadeberg.

Mr. Tiernan with Mr. Scott.

Mr. Charles H. Wilson with Mr. Wold.

Mr. Wright with Mr. Goldwater.

Mr. Dowdy with Mr. Sebelius.

Mr. Daddario with Mr. Price of Texas.

Mr. Purcell with Mr. Railsback.

Mr. Podell with Mr. Reifel.

Mr. Rees with Mr. McKneally.

Mr. Cohelan with Mr. MacGregor.

Mr. Aspinall with Mr. Morton.

Mr. Baring with Mr. Mathias.

Mr. Dulski with Mrs. May.

Mr. Fallon with Mr. Meskill.

Mr. Farbstein with Mr. Mize.

Mr. Philbin with Mr. Langen.

Mr. Ottinger with Mr. Lujan.

Mr. Gilbert with Mr. Tunney.

The result of the vote was announced as above recorded.

The doors were opened.

AMENDMENTS IN DISAGREEMENT

The SPEAKER pro tempore (Mr. BOGGS). The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate Amendment No. 14. Page 15, line 4, strike out "$2,933,100,000" and insert "$2,930,000,000".

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the house recede from its disagreement to the amendment of the Senate numbered 14 and concur therein with an amendment, as follows: In lieu of the sum proposed, insert the following: "$2,908,500,000".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 15. Page 15, line 4, insert: ", and in addition, $50,000,000 shall

be derived by transfer from the Army stock fund,".

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Mahon moves that the House recede from its disagreement to the amendment of the Senate numbered 15 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 18. Page 18, line 24, insert: ", and in addition, $100,000,000 shall be derived by transfer from the Defense stock fund,".

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 18 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 26. Page 18, line 18, strike out "$3,203,000,000" and insert "$3,201,300,000".

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 26 and concur therein with an amendment, as follows: In lieu of the sum proposed, insert the following: "$3,219,300,000".

The motion was agreed to.

The SPEAKER pro tempore (Mr. BOGGS). The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 29: Page 19, line 12, after "$1,380,400,000" insert the following: ", and in addition, $50,000,000 shall be derived by transfer from the Defense stock fund,".

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 29 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 31: Page 20, line 7, strike "$1,381,200,000" and insert "$1,345,100,000".

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 31 and concur therein with an amendment, as follows: In lieu of the sum proposed, insert the following: "$1,338,700,000".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 48: Page 28, line 22, after "amended" insert the following: "; (1) under regulations approved by the Secretary of Defense, for transportation from their homes to rest and recuperation centers in the Pacific area and return, plus per diem payments of not to exceed $30 per day for each dependent for periods not over two weeks, for dependents of military personnel assigned as province or district senior advisers in Vietnam on voluntarily extended tours of duty totaling not less than eighteen months, during periods when such military personnel are granted special incentive leaves at such rest and recuperation centers."

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 48 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 49: Page 43, line 10, strike out:

"SEC. 836. During the current fiscal year, the Secretary of Defense may, if he deems it vital to the security of the United States and in the national interest to further improve the readiness of the Armed Forces, including the reserve components, transfer under the authority and terms of the Emergency Fund an additional $300,000,000: *Provided*, That the transfer authority made available under the terms of the Emergency Fund appropriation contained in this Act is hereby broadened to meet the requirements of this section: *Provided further*, That the Secretary of Defense shall notify Congress promptly of all transfers made pursuant to this authority."

And insert:

"SEC. 836. Upon determination by the Secretary of Defense that such action is necessary in the national interest, he may, with the approval of the Office of Management and Budget, transfer not to exceed $700,000,000 of the appropriations contained in this Act between such appropriations: *Provided*, That the Secretary of Defense shall notify the Congress promptly of all transfers made pursuant to this authority."

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 49 and concur therein with an amendment, as follows: in lieu of the matter stricken and inserted, insert the following:

"SEC. 836. Upon determination by the Secretary of Defense that such action is necessary in the national interest, he may, with the approval of the Office of Management and Budget, transfer not to exceed $600,000,000 of the appropriations contained in this Act between such appropriations, to be merged with and to be available for the same purposes, and for the same time period, as the appropriation to which transferred: *Provided*, That the Secretary of Defense shall notify the Congress promptly of all transfers made pursuant to this authority."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 53: Page 46, line 17, strike out:

"SEC. 842. Appropriations heretofore made available for Procurement of Equipment and Missiles, Army; Procurement of Aircraft and Missiles, Navy; Other Procurement, Navy; Procurement, Marine Corps; Aircraft Procurement, Air Force; Missile Procurement, Air Force; Other Procurement, Air Force; Procurement, Defense Agencies; and Special Foreign Currency Program shall not be available for obligation after June 30, 1973. Appropriations heretofore made available for Shipbuilding and Conversion, Navy, shall not be available for obligation after June 30, 1975. Appropriations heretofore made available under the heading Research, Development, Test, and Evaluation, Army; Research, Development, Test, and Evaluation, Navy; Research, Development, Test, and Evaluation, Air Force; and Research, Development, Test, and Evaluation, Defense Agencies shall not be available for obligation after June 30, 1972."

And insert:

"SEC. 842. (a) Amounts, as determined by the Secretary of Defense and approved by the Office of Management and Budget, of any appropriations of the Department of Defense available for procurement (excep' Shipbuilding and Conversion, Navy) which (1) will remain unobligated as of the close of any fiscal year for which estimates are submitted and (2) which have been available for obligation for three or more fiscal years, shall be withdrawn and shall revert to the general fund of Treasury.

"(b) Amounts, as determined by the Secretary of Defense and approved by the Office of Management and Budget, of any appropriations of the Department of Defense available for Shipbuilding and Conversion, Navy which (1) will remain unobligated as of the close of any fiscal year for which estimates are submitted and (2) which have been available for obligation for five or more fiscal years, shall be withdrawn and shall revert to the general fund of the Treasury.

"(c) Amounts, as determined by the Secretary of Defense and approved by the Office of Management and Budget, of any appropriations of the Department of Defense available for research, development, test and evaluation (except Emergency Fund, Defense) which (1) will remain unobligated as of the close of any fiscal year for which estimates are submitted and (2) which have been available for obligation for two or more fiscal years, shall be withdrawn and shall revert to the general fund of Treasury.

"(d) The Comptroller General of the United States shall examine the internal system upon which the determinations required by this section are based and shall submit to the Congress, prior to April 1, 1971, a report as to the adequacy of such internal system.

"(e) Section 642 of the Department of Defense Appropriation, 1970 (Public Law 91–171, approved December 29, 1969), is hereby repealed."

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 53 and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted, insert the following:

"SEC. 842. (a) Appropriations heretofore made available for Procurement of Equip-

ment and Missiles, Army; Procurement of Aircraft and Missiles, Navy; Other Procurement, Navy; Procurement, Marine Corps; Aircraft Procurement, Air Force; Missile Procurement, Air Force; Other Procurement, Air Force; Procurement, Defense Agencies; and Special Foreign Currency Program shall not be available for obligation after June 30, 1973. Appropriations heretofore made available for Shipbuilding and Conversion, Navy, shall not be available for obligation after June 30, 1975. Appropriations heretofore made available under the headings Research, Development, Test, and Evaluation, Army; Research, Development, Test, and Evaluation, Navy; Research, Development, Test, and Evaluation, Air Force; and Research, Development, Test, and Evaluation, Defense Agencies shall not be available for obligation after June 30, 1972. Each such appropriation shall be merged with and shall be available for the same time period as appropriations made in this Act under the same head.

"(b) Section 642 of the Department of Defense Appropriation Act, 1970 (Public Law 91-171, approved December 29, 1969), is hereby repealed."

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the conference report and on the several motions was laid on the table.

GENERAL LEAVE

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report which has just been approved (H.R. 19590) and to include therein pertinent extraneous matter.

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

There was no objection.

CONFERENCE REPORT ON S. 2162, POISON PREVENTION PACKAGING ACT OF 1970

Mr. STAGGERS. Mr. Speaker, I call up the conference report on the bill (S. 2162) to provide for special packaging to protect children from serious personal injury or serious illness resulting from handling, using, or ingesting household substances, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of December 15, 1970.)

Mr. STAGGERS. Mr. Speaker, as was stated in the statement of managers, the other body accepted the provisions of the House bill with the exception of section 4(a).

Section 4(a) of the conference substitute is designed to make substances subject to special packaging requirements available to the elderly and handicapped in packages which do not unnecessarily hinder them in using such substances. Manufacturers are permitted to supply such substances in one size of packaging which is easier for the elderly and handicapped to open. Such packaging must be labeled to show that it should not be used in households with young children.

Under the provisions of the conference substitute it is expected that safety packages will be the rule on the shelves of drugstores and supermarkets and that packages designed for the elderly or handicapped will be the exception. In this manner it is hoped that accidental ingestion of poisonous substances by young children will be reduced to a minimum and that many unnecessary deaths and injuries will be avoided.

I am gratified that the conference substitute is a better piece of legislation than the bills which resulted from the actions of the two Houses individually. Thus there is every reason for the Members of the House to lend their support to this legislation in voting for the adoption of the conference substitute.

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

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

Mr. SPRINGER. Mr. Speaker, there is only one main difference in this conference report from the bill as it passed the House, which is this: Should safe packages be the rule or the exception? The conference accepted the Senate version on this point, that the poison prevention packaging should be the rule and not the exception. On packages of hazardous substances, all will be in poison prevention packages except for one size. The only reason for this exception was for those who have arthritis or some physical disability, who need the drug or the package for his or her own use, and who would otherwise not be able to open the safety package. For this we allowed one package without requiring the poison prevention packaging as is required in the rest of the bill. Otherwise the bill is entirely that of the House.

Mr. STAGGERS. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON H.R. 8298, WATER CARRIER MIXING RULE

Mr. STAGGERS. Mr. Speaker, I call up the conference report on the bill (H.R. 8298) to amend section 303(b) of the Interstate Commerce Act to modernize certain restrictions upon the application and scope of the exemption provided therein, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of December 14, 1970.)

Mr. STAGGERS (during the reading). Mr. Speaker, I ask unanimous consent that the statement be considered as read.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

Mr. EDMONDSON. Mr. Speaker, reserving the right to object—and I do not expect to object—do I correctly understand that the conference report which has been concluded does eliminate the requirement for publication of the rates, that had been present with regard to noncertificated carriers in the House version of the bill?

Mr. STAGGERS. Yes; and I will explain that in my explanation of the bill.

Mr. EDMONDSON. I thank the gentleman.

Mr. Speaker, I withdraw my reservation.

Mr. DINGELL. Mr. Speaker, reserving the right to object, I have a question to direct to my good friend the chairman of the Committee on Interstate and Foreign Commerce. I note that the language of the legislation as returned to the House by the managers on the part of the House includes in the last part of section 2 the following sentence:

> The Interstate Commerce Commission and the Secretary of the Army are directed to cooperate fully with the Secretary of Transportation in carrying out the purposes of this Act, and to submit such independent and separate comments and views as those agencies deem appropriate.

This is in relation to the study to be performed by the Department of Commerce.

I ask these questions solely for the purpose of making legislative history. The Department of the Army and the Interstate Commerce Commission are to participate fully in the study; they are to cooperate fully with the Department of Transportation; and they are to submit such independent and appropriate comments and views as those agencies deem appropriate. May I ask the gentleman, the chairman of the committee, whether he agrees with that interpretation?

Mr. STAGGERS. This is the understanding of the conferees in writing the conference report, and it is so written in the statement.

Mr. DINGELL. I note it is in the statement of the managers on the part of the House.

Mr. STAGGERS. The gentleman is correct.

Mr. DINGELL. Mr. Speaker, I withdraw my reservation.

Mr. PICKLE. Mr. Speaker, reserving the right to object, I should like for the Members to take note of section 2 of this amendment, which says:

> The Secretary of Transportation shall undertake a comprehensive study of the present system of economic regulation of dry bulk commodity transportation, including information on amounts actually charged for the movement of dry bulk commodities;

The bill, as it passed the House, did provide for the publication of these rates, for the filing and publication of rates. I believe that was a very fair and a proper approach, because we have a critical problem in this area and it will never be

resolved unless we do have information about filings and rates.

Since Congress is agreeing to a study requiring the furnishing of information, I believe it ought to be made plain to every unregulated shipper that the ICC can come in and get his records, to see what is being hauled, what type of tow is involved, and what the charges are, so that they can make a full and comprehensive study. It is not going to be a haphazard thing, or a mere "sampling."

It would have been better to require the publication of these rates. That would have been fair to everybody. It would not have been regulation.

At least this study does require a 2-year basis for the furnishing of full and complete information.

I should like to ask the chairman if that is the intent of the managers on the part of the House, that this be a comprehensive study and that full information be furnished to the regulatory agencies.

Mr. STAGGERS. It is so directed in the bill. The gentleman made a mistake, in that it is not the ICC which is to make the study but it is the Department of Transportation. But, as the gentleman from Michigan just mentioned, they are asked to submit reports, and certainly DOT can get any information it wants.

Mr. PICKLE. I thank the gentleman. I also realize this is the jurisdiction of the Department of Transportation.

Mr. Speaker, I withdraw my reservation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia that the statement be considered as read.

There was no objection.

The SPEAKER pro tempore. The gentleman from West Virginia is recognized for 1 hour.

Mr. STAGGERS. Mr. Speaker, we met twice with the Senate conferees on the differences between the two bodies on the water carrier mixing rule. The most substantial difference was the question of whether exempt carriers must file and publish rates with the Interstate Commerce Commission. We receded to the Senate on this question but, in return, we explicitly provided that the Department of Transportation obtain information on the rates actually charged as a part of the comprehensive study which must be completed within 2 years.

The question of charges for transporting dry bulk commodities by barge has long been a complex issue. I believe we are nearing a solution. We will have a full review in 3 years because the House prevailed on keeping this legislation temporary rather than permanent as in the Senate version.

The House also prevailed on the definition concerning the mixing of dry bulk commodities and no more than three such commodities can be mixed in a single tow, which can be made up of as many as 40 barges.

This was a very satisfactory conference and I urge that the conference report be adopted.

I now yield to the gentleman from Illinois (Mr. SPRINGER).

Mr. SPRINGER. Mr. Speaker, the House bill required the filing of rates by exempt carriers of bulk commodities, The Senate bill did not do so and the conference version does not.

The Senate would have changed the definition of a vessel for purposes of the bulk commodities exemption from an entire tow to one barge. This is stricken in the conference version. To have so changed the law would have revolutionized the bulk carrying trade and such was never intended.

Both bills provided for studies of the bulk carrying business. They differed as to what agency would conduct the study and what would be included. The conference compromise provides for a study by the Department of Transportation of exempt water carriers only but includes authority—which could be said to be inherent—to obtain information from other modes carrying bulk products as to their practices and charges.

By conference agreement, the study will be concluded within 2 years and the legislation will expire in 3 years.

These are the important points that were involved in the conference report.

Mr. STAGGERS. Mr. Speaker, I move the previous question on the conference report.

The previous quesion was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON H.R. 6778, BANK HOLDING COMPANY ACT AMENDMENTS

Mr. PATMAN. Mr. Speaker, I call up the conference report on the bill (H.R. 6778) to amend the Bank Holding Company Act of 1956, and for other purposes.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the conference report.

(For conference report and statement, see proceedings of the House of December 15, 1970.)

The SPEAKER pro tempore. The gentleman from Texas is recognized for 1 hour.

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

Mr. Speaker, early in this Congress, on February 17, 1969, a bill H.R. 6778, was introduced which was designed to bring under the coverage of the Bank Holding Company Act of 1956 all one-bank holding companies.

In the late 1960's a large number of banks began converting themselves into one-bank holding companies in order to avoid regulation by the Federal Reserve Board under the Bank Holding Company Act. In addition, many significant nonbank corporations, including major conglomerates, began acquiring one bank, thus mixing banking and nonbanking in complete contravention of the purpose of both Federal banking laws going back to the 1930's and the Bank Holding Company Act of 1956.

This wave of one-bank holding company creations alarmed many people on Capitol Hill, in the administration, at the Federal Reserve Board, and significant professional observers of the American economic system. Indeed, President Nixon stated on March 24, 1969, that—

> Left unchecked, the trend toward the combining of banking and business could lead to the formation of a relatively small number of power centers dominating the American economy. This must not be permitted to happen; it would be bad for banking, bad for business, and bad for borrowers and consumers.
>
> The strength of our economic system is rooted in diversity and free competition; the strength of our banking system depends largely on its independence. Banking must not dominate commerce or be dominated by it.
>
> To protect competition and the separation of economic powers, I strongly endorse the extension of Federal regulation to one bank holding companies and urge the Congress to take prompt and appropriate action.

H.R. 6778, as originally introduced by me, in addition to plugging the so-called one-bank loophole, accomplished a number of other important objectives for tightening the present Bank Holding Company Act:

First, it removed the partnership exemption;

Second, it provided that the Federal Reserve Board could find actual control of a bank by a company even though that company controlled less than 25 percent of the stock of the bank;

Third, it retained the 1956 definition of what constituted a permissible bank-related activity for bank holding companies to engage in;

Fourth, it contained no grandfather clause exemption; and

Fifth, it contained an anti-tie-in provision applying to all insured banks, whether or not it is part of a holding company system.

It is interesting to note that, after almost 2 years of detailed, thorough, and protracted consideration of this legislation by both the House of Representatives and the Senate, the version of the bill that is now being presented by the conferees to the House for consideration is substantially similar to the bill originally introduced by me in February of 1969.

The amended H.R. 6778 being presented here as agreed to by the House and Senate conferees eliminates the partnership exemption; authorizes the Federal Reserve Board to find actual control of a bank where a company holds less than 25 percent of its stock; essentially retains the 1956 standard for determining what bank-related activities a bank holding company may engage in; subjects to potential Federal Reserve Board jurisdiction under the Bank Holding Company Act one bank holding companies, no matter when created; contains an anti-tie-in provision covering all banks, bank holding companies, and subsidiaries of bank holding companies; gives to nonbank competitors of bank holding companies standing to challenge before the Board and in the courts applications filed under the Bank Holding Company Act; and removes the exemption in the future for substantial blocks of bank stock held by bank trust de-

partments with sole power to vote that stock.

The major points are: First, the bank-related activities language, also known as the language of section 4(c)(8) of the Bank Holding Company Act; second, exemptions that are or may be granted from the act; third, the anti-tie-in provisions; fourth, giving standing for competitors and others provisions; and fifth, the coinage provisions.

BANK RELATED ACTIVITIES—SECTION 4(C)(8)

The House passed H.R. 6778 containing a rewritten section 4(c)(8) test which permitted a bank holding company to engage in any nonbanking activity that is "functionally related to banking" and also could be reasonably expected to produce certain enumerated public benefits that would outweigh enumerated adverse effects. In addition, in order to more carefully define the above-stated test, the House bill contained a list of six specific activities which were either prohibited to bank holding companies or which they could engage in only to a limited extent.

The Senate bill, on the other hand, contained the "functionally related" and public benefits test in a similar form to the House bill, but, significantly, failed to include any laundry list of specific activities prohibited to bank holding companies or which limited their participation in these activities.

Since section 4(c)(8) is the exclusive authorization for bank holding companies to conduct nonbank businesses except in the few instances where a specific activity is authorized elsewhere in this statute—for example, section 4(c)(1)(B), which authorizes a safe deposit business—or in other relevant statutes, this was a crucial issue in resolving all of the differences over this important piece of legislation.

Because of this very important difference in the two versions of H.R. 6778, it became very difficult for the conference to resolve this issue. The problem was resolved by the substitution of language developed in the conference for the pertinent provisions of both versions of H.R. 6778.

Aside from the question of applying the Bank Holding Company Act of 1956 to one-bank holding companies—the basic issue presented to the Congress by the dramatic growth of one-bank holding companies in the last few years—the most important and controversial issue was over the question of whether to retain or substantially change the 1956 definition as to what the Federal Reserve Board could permit regulated bank holding companies to engage in outside their strictly banking activities.

One change made in section 4(c)(8) was to delete the phrase "of a financial, fiduciary, or insurance nature." Tracing the history of this phrase through the legislative process prior to the conference action, it is not revealed very clearly what the various contending forces had in mind by deleting the phrase—as in the House committee reported version and the Senate version—or modifying it—as in the version that passed the House and the administration version introduced by the gentleman from New Jersey, Congressman WIDNALL and Senators SPARKMAN and BENNETT on March 24, 1969. It would be virtually impossible to fairly attribute any clear or precise intention to Congress in finally deleting the "financial, fiduciary, or insurance" language.

Another change in the existing section 4(c)(8) is the deletion of the phrase "the business of." This deletion was made after consideration of the Federal Reserve Board's suggestion that it be deleted, because prior interpretations of the Board indicated that the retention of this term could lead to continued interpretation encouraging tie-in arrangements which Congress clearly intends to prohibit under these amendments to the Bank Holding Company Act. Under previous rulings of the Board, the term "the business of" had been interpreted as meaning that there had to be some specific business relationship between a customer of a bank subsidiary of a holding company before the Board would allow a business relationship between the customer and a nonbank subsidiary of the same holding company.

A significant change in section 4(c)(8) agreed to by the conference is the addition of two completely new sentences to the current section.

The factors to be considered by the Board under this so-called public benefits test in authorizing bank holding company ownership or control of companies already found by the Board in a proceeding to be closely related activities to banking under section 4(c)(8), include the dangers of undue concentration of resources, decreased or unfair competition, conflicts of interest, and unsound banking practices.

The basic content and the essential test found in the 1956 act, that is, that an activity must be "so closely related to banking or managing or controlling banks as to be a proper incident thereto," is retained in the new section 4(c)(8). It is clear from the legislative history of this bill that at every stage, including in the House committee, on the House floor, in the Senate committee and on the Senate floor, attempts were made to significantly broaden section 4(c)(8) by the adoption of a new test. The major proposal for a new standard advocated by the Federal Reserve Board, beginning with Chairman Martin's testimony before the House committee, was the "functionally related" standard. This was subsequently supported before the Senate committee by Chairman Burns of the Federal Reserve Board, as well as by various spokesmen for the administration and the banking industry. The "closely related" test was characterized by these and other witnesses as being too narrow, too rigid and too confining. They strongly and repeatedly urged that a new, broader test be adopted.

In the final analysis, the broader "functionally related" test was rejected and, with the major changes discussed in detail earlier, essentially the "closely related" test of the 1956 act was agreed to by the conferees.

How would one define the test that has been agreed to by the conferees for the guidance of the Federal Reserve Board and the courts?

Under the new section 4(c)(8) there must be a direct and significant connection between the proposed activities and the kinds of activities that banks generally now carry on; that is, closely related to banking in general. However, with the deletion of the words "the business of," there no longer need be a relationship between the particular activities of the company purposed to be acquired in the business of the particular bank holding company seeking approval of an acquisition under section 4(c)(8).

The agreement reached by the conferees with respect to the provisions of section 4(c)(8) of the act perhaps gets closest to the basic issue of how the conferees decided to continue delineating between banking and commerce. The decision of the conferees to reject the "functionally related test" advocated by those witnesses who argued for a more liberal and expansive approach by the Federal Reserve Board in authorizing nonbank activities for bank holding companies is intended to be construed to mean that the Congress was not convinced that such expansion and liberalization was justified. Consequently, the Congress intends those activities which the Board and other witnesses claim would have been permitted under the "functionally related test," are not authorized by our decision to retain the "so closely related" test, which is considerably less expansive and liberal than the rejected "functionally related test."

Another important question is the relationship between the "closely related" test and the public benefits test found in the second sentence of the newly written section 4(c)(8). The effect of section 4(c)(8) as a whole is to establish, in effect, two tests for the Federal Reserve Board to use in deciding cases under section 4(c)(8). First, the Board must determine whether the particular activity sought to be engaged in is "so closely related to banking or managing or controlling banks as to be a proper incident thereto." And, second, in determining whether a particular activity is "a proper incident" to banking or managing or controlling banks, the Board must determine whether the public benefits outweigh the adverse effects, such as the ones enumerated in the second sentence of section 4(c)(8). Even if the activity is found by the Board to be closely related to banking, it must also determine whether it meets the public benefits test. In that sense, the Board may find in a particular case that it cannot approve a proposed activity for a specific bank holding company because it fails to meet the second test even though it may determine that it is closely related to banking.

In this sense, then, the new section 4(c)(8) may be considered to be a more difficult standard than that found in the present law. This is so because under the previous language of section 4(c)(8) there was no public benefits test. Therefore, there may be circumstances where the Board would turn down an applica-

tion under the second test—the public benefits test—that it would have had to approve under the old test because the only significant element in that standard was the "closely related" one. Now both tests must be met.

EXEMPTIONS

From the beginning of the consideration of this bill, great attention and concern has been directed at the problem of existing exemptions to the Bank Holding Company Act, as well as exemptions proposed by various groups in order to meet special problems that they claimed existed. Of course, to the greatest extent possible, laws should apply generally to all within a class intended to be covered, with as few specific exemptions as possible permitted.

Many of the specific exemptions are neither permanent nor automatic, since the Board has the authority to withdraw, modify or condition the exemptions in order to conform them to the purposes of the Bank Holding Company Act and be consistent with the public interest. Others apply to a very small number of special cases that, it is felt, require special treatment. The Board should interpret these exemptions as narrowly as possible in order that all bank holding companies which should be covered under the act in order to protect the public interest will, in fact, be covered.

In addition to these specific exemptions, two categories of one-bank holding companies not covered under existing law may continue to operate in the future without being covered by the act under certain circumstances set forth in the act as being amended. One such amendment, which becomes section 4(d) of the new act, was adopted to cover situations existing with respect to one-bank holding companies that have controlled over a long period of years one small bank, usually in a small town where some particular hardship may be created if the holding company were forced to divest itself of its bank.

The Board faces a difficult problem in administering this provision. If, for example, it authorizes an exemption for a company which acquired its bank 40 years ago, the Board may find it difficult to resist applications for exemptions in the case of more recent acquisitions. It is recognized that the Board may have to draw an arbitrary line—for example, limiting the first stated exemption to relationships in existence for 15 years or more—in order to keep this exemption from becoming such a large loophole that it would be substantially at variance with the purposes of the Bank Holding Company Act. Such lines must be drawn if the prohibitions in the act against combining bank and nonbank businesses in a holding company system are to be effective; the exemptive authority must not become the basis for wholesale exemptions that would undermine the act and place those companies that must comply with it at an unfair competitive disadvantage.

The Board is authorized to make these exemptions "subject to such conditions as it considers necessary to protect the public interest." For example, the Board should make sure that an exemption granted to a company that owns a small bank will terminate if the bank later exceeds applicable size limit. And an exemption based on inability to find a local buyer should terminate whenever such a buyer appears who is prepared to purchase the bank on reasonable terms.

GRANDFATHER CLAUSE

The conference also agreed that, in lieu of a grandfather clause provision which would have completely exempted certain bank holding companies from coverage under the Bank Holding Company Act, it would substitute a somewhat different kind of provision.

This provision brings under the potential coverage of the act all bank holding companies regardless of size or date of creation.

The conference committee was greatly concerned that certain activities permitted by this exemptive provision could result in detriment to the public interest, and thereby defeat the purposes of the act. It was further recognized that this potential detriment was more likely to occur in the case of a bank holding company owning a bank with substantial assets than in the case of banks with relatively small assets.

With respect to bank holding companies which control bank assets in excess of $60 million, the Board is required under the act to reach a determination, within 2 years of the enactment of these amendments, as to whether the benefits of the grandfather clause are to be accorded to each such company. A decision by the Board to withdraw these benefits is required by the act unless it can be established that there would not be undue concentration of resources, decreased or unfair competition, conflicts of interest or unsound banking practices, if the company were to retain control of one or more of the affiliates in question. With respect to all one-bank holding companies, the Board, at any time, may terminate the exemption using the same test.

The fact that the statute requires the Board to act within 2 years concerning the exemptions involving one-bank holding companies controlling banks with over $60 million in assets in no way implies that the Board should feel restrained from pursuing determinations on exemptions for holding companies each of whose banks have assets of less than $60 million.

Thus, the Board is required to conduct continuing surveillance over the privilege accorded to certain bank holding companies to conduct activities which are otherwise prohibited by the act. This gives the Board flexibility, while providing safeguards against abuses which the act is designed to prevent. It is recognized that these exemptive privileges could defeat the purposes of this act, and, therefore, it was determined to permit them only when it was clearly in the public interest to do so.

Therefore, the Board should, within a reasonable amount of time, examine all one-bank holding companies created prior to July 1, 1968, to determine whether, under the stated test, any of them are entitled to exemptions from the act. Congress merely wishes the Board to take expeditious action in the immediate future on the larger and, therefore, potentially more dangerous one-bank holding companies created before June 30, 1968, before examining the propriety of continuing the exemption for the under-$60 million category.

Also, the Board should give no presumption of entitlement to exemption to a one-bank holding company in the future, even though the Board has initially made a determination to allow the exemption to stand.

TIE-IN PROVISIONS

H.R. 6778, as originally introduced by me, contained an anti-tie-in provision. However, this provision was not included in the bill when it was referred to the Senate. The Senate version did contain an anti-tie-in provision which was agreed to in the conference. The Senate anti-tie-in provision provides the following.

It prohibits a bank from providing any credit, property, or service for a customer on the condition that he obtain from the bank some additional credit, property, or service, or that he provide to the bank some additional credit, property, or service. Exempted from this prohibition are transactions exclusively involving two or more of four specified traditional banking services—loans, discounts, deposits, or trust services.

It prohibits any subsidiary bank from providing any credit, property or service for a customer on the condition that he must obtain from, or provide to, the holding company or any other subsidiary thereof some additional credit, property or service.

It prohibits any requirement that the bank's customer must not obtain some other credit, property or service from a competitor of the bank, its parent, or a sister subsidiary, other than a reasonable requirement to assure soundness of credit.

It authorizes the Board to provide exceptions to the prohibition, the Department of Justice to enforce the prohibitions and private parties to sue if injured by a violatior of the prohibition. For purposes of this anti-tie-in provision the term "company" includes "person."

The House conferees agreed to this provision, particularly because of the necessity for protecting small independent businessmen from unfair and predatory business practices by banks, bank holding companies and subsidiaries thereof. This provision covers all insured banking institutions, as well as bank holding companies.

The Senate conferees assured the House conferees during the conference on one very important point that the House conferees felt was not clear either from the language of the Senate anti-tie-in provision or from the legislative history of this provision in the Senate.

The Senate anti-tie-in provision was amended on the floor of the Senate to exclude from its coverage certain specific so-called traditional banking services, that is, loans, discounts, deposits, and trust services. The Senate conferees stated in response to questions put by the House conferees that this exemption only

applied where all of the components of a particular transaction fell into the category of loans, discounts, deposits and trust services. If any of these traditional banking services were tied to another service offered by a bank, a bank holding company, or another subsidiary of a bank holding company, the exemption would not apply.

In addition, the Senate conferees assured the House conferees that, even with the four exempted traditional bank services, nothing in the Senate anti-tie-in provision exempted them from coverage under the provisions of existing antitrust law dealing with tie-ins.

It is also understood that the anti-tie-in provision prohibits, not only explicit tying arrangements, but also prohibits the fixing or varying of the consideration for any service offered by a bank or bank holding company on the condition or understanding that the services be purchased in conjunction with other services offered by the bank or bank holding company.

STANDING FOR COMPETITORS AND OTHERS

Another major provision of H.R. 6778, which was in the Senate version but not in the House version, was the provision giving standing to competitors of bank holding companies to enter proceedings as parties in interest before the Board and in the courts. This provision allows a present or potential competitor the right to join as a party in interest before the Board and to appeal any decision of the Board if it renders a decision adverse to him in any proceeding before the Board where an applicant seeks authority to acquire a banking subsidiary under section 3, to engage in a nonbanking activity pursuant to section 4 or seeks an order permitting it to engage in a business practice otherwise prohibited under the anti-tie-in provision.

While it is understood that the Board has in recent years taken a properly liberal attitude concerning the right of competitors of banks and bank holding companies to have standing before the Board in its proceedings, this provision is intended to state that position in the law. It is not in any way to be interpreted, however, to restrict the participation of interested parties in proceedings before the Board only to those types of proceedings enumerated in the standing provisions of this legislation.

If it would be appropriate to allow the entrance of interested parties in other proceedings held in connection with subjects covered by this legislation, or if standing is given under other provisions of Federal law, including but not limited to the Administrative Procedures Act, the provisions of this legislation are in no way intended to narrow the right to standing. In other words, the broadest possible forum should be allowed for adversary proceedings to take place in order that all issues may be aired completely.

More specifically, this provision does not limit the standing of any party in any proceeding before the Board who, under the holdings in recent Supreme Court decisions—ADAPSO against Comptroller of the Currency and Arnold Tours against South Shore National Bank—would be deemed to be affected by the result in that proceeding, and which party's interests are relevant to the purposes of the act.

TITLE II PROVISIONS RELATING TO COINAGE

The House receded to the Senate and accepted an amendment related to U.S. coinage.

All but one of the provisions of this amendment have been passed by the House in the form of H.R. 14127 on October 15, 1969.

This legislation, incorporated as title II of the conference bill, provides that: First, there would be a phasing out by January 1, 1971, of the use of silver in half dollars and the authorization of a cupronickel 50-cent coin of the same composition as the quarter and the dime; second, a new cupronickel-clad coin of $1 denomination is authorized to be minted for general circulation, bearing the likeness of the late President of the United States, Dwight David Eisenhower, and, on the other side, a design emblematic of the symbolic eagle of Apollo 11 landing on the moon; and third, machinery is established for the orderly and equitable sale to the public, at market value, of approximately 3 million silver dollars remaining in Treasury vaults, mostly rare and numismatically valuable coins from the old Carson City Mint. These approximately 3 million valuable silver dollars will be offered to the public in a manner recommended by the Joint Commission on the Coinage at its meeting of March 12, 1969. At that time the Joint Commission on the Coinage agreed to an auction procedure for the sale of these rare silver dollars by the General Services Administration. Under this procedure, the GSA would establish a minimum price for each class of rare coin. An individual could bid for a coin at that minimum price or at a price in excess of the minimum price established by GSA.

In addition, title II, section 203, of the conference bill provides for the minting of 150 million of the new $1 pieces to be 40 percent silver content. To help accomplish this purpose, 25½ million fine troy ounces of silver would be transferred to the Treasury from the defense stockpile to be used exclusively for the special silver coins.

It is understood by the conferees that 130 million of the new silver coins will be manufactured and sold as uncirculated commemoratives and 20 million of them as proof coins, under administrative arrangements through the Treasury Department assuring their widest possible distribution among citizens interested in acquiring a few each.

FUNCTIONALLY RELATED VERSUS CLOSELY RELATED

Statements were made during consideration of this bill in the House by those of us supporting a more restrictive standard for determining what nonbank activities bank holding companies may engage in, that there was no substantial difference between the "closely related to banking" test and the "functionally related to banking" test.

This statement should not be taken out of context. It was made in connection with a six-point proposal to amend H.R. 6778 when it came to the floor of the House in November of 1969. This six-point proposal was, in effect, an interrelated package, all of the parts of which were essential to achieving effective legislation on this subject. This six-point proposal was presented on the floor of the House and was adopted overwhelmingly by the House.

An essential part of this group of amendments was to limit and carefully circumscribe the meaning of "functionally related" in the committee-passed bill by listing six specific activities that bank holding companies would either be prohibited from engaging in or limited from carrying on to a substantial degree.

Thus, the "functionally related" language, when coupled with the list of restricted activities—the provisions adopted by the House—added up, in effect, to a test very similar to the "closely related" test. This is clearly indicated when one compares the list of restricted activities adopted by the House to the list presented by Chairman Martin of the Federal Reserve Board to the House committee. Chairman Martin said these activities would, in his opinion, be approved under the "functionally related" test. Almost all of the activities on the restricted list adopted by the House were also on Chairman Martin's list of permitted activities. The House, by rejecting that list, specifically rejected broadening the definition at least to the extent of the list.

I yield briefly to the gentleman from Michigan. I do not have too much time. The minority will have the opportunity to yield time.

Mr. BROWN of Michigan. I thank the gentleman for yielding. The chairman has given a very comprehensive report of what the conferees did. There were two or three questions, however, that I had, and I trust the chairman will answer them for me.

When the bill left the House of Representatives, as I recall, it had a prohibition against banks engaging in insurance activities. Is that prohibition still in the conference report?

Mr. PATMAN. Certainly it is, in substance.

Mr. BROWN of Michigan. Will the gentleman read the language?

Mr. PATMAN. I refer——

Mr. BROWN of Michigan. Mr. Chairman——

Mr. PATMAN. You asked me a question, and I would like an opportunity to answer. It so defines the companies that can be acquired as to limit it in a way that insurance companies or insurance agents cannot be made a part of a bank holding company.

Mr. BROWN of Michigan. Mr. Chairman——

Mr. PATMAN. Wait just a minute. You asked me a question and it is a good one.

Mr. BROWN of Michigan. If it takes this long, Mr. Chairman, I doubt that it has any value.

Mr. PATMAN. The acquisition must be so closely related to banking as to be a proper incident thereto. Therefore, it

separates banking from nonbanking, and the insurance companies from the nonbanking. I hope I have answered the gentleman sufficiently.

Mr. BROWN of Michigan. If the chairman would yield further, as I recall when the bill left the House of Representatives, it had a prohibition against banks engaging in any insurance activities, or engaging in any data processing activities, or engaging in any travel agency activities, or in any activities which could be considered to be the practice of the profession of accountancy or any leasing activities. Those were specifically spelled out in the bill.

In addition, is it not true the bill also included a grandfather's clause, dating back to March of 1956? In other words, Mr. Chairman, is it not true the conferees have emasculated this bill?

Mr. PATMAN. Here is the way it is. I must yield to my colleagues on this side, so this is the last question I will answer at this time.

We had in the House bill what we called a laundry list that enumerated given functions that could not be carried on by a holding company. But the Senate version used language—functionally related—without a prohibited list of activities as in the House bill. Used in this way it is an unknown phrase that has never been interpreted by the courts. The conferees did what the conferees should do: take the bills from the House and from the Senate, meet together, iron out the differences, and submit a proposition that will be acceptable to both sides. That was done in this case, and it is very clear.

I cannot yield further at this time to the gentleman.

Mr. BROWN of Michigan. Would the gentleman refer me to the legislative, judicial legal, or administrative definition of the language, he now defends, which was incorporated in the conference report.

Mr. PATMAN. I have other Members I must yield to. The ranking minority member will have the same time as I have to yield to the gentleman. The gentleman can get his time from his side.

Mr. Speaker, I yield 20 minutes to the gentleman from New Jersey(Mr. WIDNALL) and I reserve the balance of my time.

Mr. WIDNALL. Mr. Speaker, now that the text of the one-bank holding company bill is available in the conference report, an interested individual can compare the text of the final bill with the bills as passed by the House and Senate. Anyone who does so is in for a surprise, particularly if he has been reading the slanted news stories fed to the press reflecting the wishful thinking of the House majority conferees rather than the hard facts of the conference decisions. The truth of the matter is the conference report very closely tracks the Senate bill—so much so in fact that any resemblance of the House bill to the conference report is almost coincidental.

The principal points of difference between the two bills were: First, the so-called negative laundry list, contained only in the House bill, which would have prohibited bank holding companies and their subsidiaries from engaging in specified activities; second, the change of section 4(c)(8) of the 1956 Bank Holding Company Act so as to give the Federal Reserve Board greater flexibility in determining what nonbank activities are permissible for bank holding companies and their subsidiaries; third, the grandfather clause exemption of both bills; fourth, the conglomerate exemption of the Senate bill; fifth, the Senate bill provision granting standing before the Federal Reserve Board and the courts for nonbank holding company competitiors; sixth, the anti-tie-in provisions of the Senate bill; and, seventh, the coinage provisions of the Senate bill authorizing the production of 150 million of 40-percent silver content Eisenhower dollars. These seven principal differences were resolved by the conference committee in the following manner:

First. The negative laundry list of prohibited activities for bank holding companies and their subsidiaries which was contained only in the House bill, was completely eliminated.

Second. Compromise language was adopted by the conferees amending section 4(c)(8) of the Bank Holding Act so as to give the Federal Reserve Board greater flexibility in determining what nonbanking activities would be permissible for bank holding companies and their subsidiaries. Later I will comment further on this provision.

Third. The Senate's grandfather clause date of June 30, 1968, was adopted by the conference committee instead of the May 9, 1956, date of the House bill. In general, this permits nonbanking activities of one-bank holding companies that existed on or before June 30, 1968, to be continued. However, such authority was modified by the conference committee by giving the Federal Reserve Board authority to review any such grandfathered activities and permissive authority to end the exemption if it determines that such action is necessary to prevent undue concentration of resources, decreased or unfair competition, conflicts of interest, or unsound banking practices. For a one-bank holding company having bank assets in excess of $60 million, the Federal Reserve Board would have to conduct such a review and make its determination, if any, within 2 years after the date of enactment of the act.

Fourth. The Senate bill contained a so-called conglomerate amendment which would have exempted under certain size limitations a number of industrial one-bank holding companies from divestiture of their nonbanking activities. There was no similar provision in the House bill. The conference committee adopted a modified conglomerate amendment under which specified size tests were eliminated. Instead, the Federal Reserve Board was given permissive authority under such conditions as it deemed necessary to protect the public interest, to exempt an industrial company owning one bank prior to July 1, 1968, from divestiture requirements. The Federal Reserve Board could act under this exemptive authority: First, to avoid disrupting business relations that have existed over a long period of years; or second, to avoid forced sales of small locally owned banks to purchasers not similarly representative of community interests; or third, to allow retention of banks that are so small in relation to the banking market served as to minimize the likelihood that the bank's powers to grant or deny credit may be influenced by a desire to further the holding company's other interests. While this exemptive authority is strictly in the hands of the Federal Reserve Board under the standards cited, it would be my opinion that examples of the exemptions that might be granted would include the Hershey School Trust owning the Hershey National Bank of Hershey, Pa., the Goodyear Tire & Rubber Co., owning the Goodyear Bank of Akron, Ohio, essentially a service bank for employees, and numerous traditional small one-bank holding companies if they are not otherwise exempted under the grandfather clause exclusion.

Fifth. The Senate bill's provision granting standing before the Federal Reserve Board and the courts for nonbank holding company competitors was adopted by the conferees and broadened to include similar rights under the next item of difference: namely, the anti-tie-in provision.

Sixth. As just mentioned, the anti-tie-in provision contained in the Senate bill was adopted by the conference committee together with a couple of clarifying amendments proposed by the Justice Department.

Seventh. Finally, the coinage provisions contained in title II of the Senate bill were adopted by the conferees. This is the so-called Eisenhower dollar legislation. Under it, the production of 150 million pieces of 40-percent silver content dollars is authorized. One side of the coin is to bear the likeness of the late President Eisenhower and the other side a design which is emblematic of the symbolic eagle of Apollo 11 landing on the moon. This later provision was proposed by the House conferees and adopted by the conference committee.

As I indicated earlier, I want to return to a further discussion of the second item, revision of section 4(c)(8) of the act to give to the Federal Reserve Board more flexibility in permitting nonbanking activities for bank holding companies and their subsidiaries. Here is the legislative history.

Change for such additional flexibility was intended and accomplished when the House Banking and Currency Committee reported the bill replacing the "proper incident" test with a "functionally related" test in this paragraph.

Change for such additional flexibility was intended and accomplished when the House amended and passed the bill but left unchanged the "functionally related" test which had been reported by the committee.

Change for such additional flexibility was intended and accomplished when the Senate bill containing the "functionally related" test, was considered both in committee and on the Senate floor.

Change for greater flexibility for such Federal Reserve Board authority was

earnestly recommended by the Federal Reserve Board, the Treasury Department and the Justice Department in letters made available to the conferees. I am attaching copies of these communications at the end of my statement.

Change was the order of the day when the conferees sat down to consider this question except that it quickly became apparent there was a wide division of opinion as to what the change should be.

The four majority conferees of the House who had thrown in the towel on the laundry list wanted to turn the clock back and in effect retain the restrictive character of the existing section 4(c)(8) and thereby not grant the Federal Reserve Board the additional flexibility requested.

The Senate conferees unanimously were adamant that a change be made to provide the Federal Reserve added flexibility under a revised section 4(c)(8). The three minority conferees of the House sided with the position of the Senate conferees on this question as in our opinion we thereby were upholding the position of the House that a liberalizing change should be made in keeping with adoption of the "functionally related" test.

Thereafter it became a battle of words, proposals, and counterproposals. Critical to the four House majority conferees was retention in the paragraph of the words "so closely related—as to be a proper incident thereto."

The other eight conferees were under no delusions about the significance of the position taken by the four conferees. The eight conferees were fully aware it was a maneuver to set up a court test which hopefully would overturn the Fed if it liberalized its interpretation of section 4(c)(8).

What appeared to be a hopeless impasse was finally resolved by a compromise. The words the four conferees wanted were retained but were given a new meaning by statute. The public benefit determination required, completely changes the "proper incident" concept.

The key change in section 4(c)(8) is the new test for determining if an activity is a "proper incident to banking." The present law has restricted the Board to viewing the "proper incident" phrase in the light of past court decisions dealing with the interpretation of statutes permitting banks to engage in the business of banking and other activities properly incident thereto. These decisions generally have taken a restrictive view of the incidental powers clause and the Board has generally interpreted the present law in a similar restrictive manner.

It should be made clear that the Board recommended this new test and the Board's intent was to introduce a new public interest concept in order to give it the desired flexibility. The Board recognized that one of the main reasons that most one-bank holding companies were formed in recent years was to meet the demands of the public for new financial services that banks could not offer under existing statutory limitations. Granting the Board authority to take into consideration the public interest concept will give the Board a new dimension for weighing permissible activities.

The statement of the four House managers discusses at great length the negative aspects of the new test. Each of the possible adverse effects is discussed in detail. The statement fails to discuss the positive aspects of the new test; that is, benefits to the public. The new test describes these benefits as "greater convenience, increased competition, or gains in efficiency." The statement of the four managers fails to emphasize that the Board is given discretion to approve an activity if these benefits to the public outweigh any possible adverse effect.

Just for good measure, a number of other changes were made in section 4(c)(8). The broadly inclusive word "all" was dropped from the paragraph. The significance of this change in liberalizing Fed authority is readily apparent when one notes that the existing section 4(c)(8) is a one-sentence paragraph tied together by the conjunction "and". The requirement of existing law that permitted activities be of a "financial, fiduciary, or insurance nature" was dropped, thereby granting the Board added flexibility. The power of the Board to issue "orders" under the paragraph was broadened to include the power to issue both "orders" and "regulations" thereby granting more generalized authority. More flexible authority was also granted when the reference to the "business of banking" was changed simply to the more generalized term "banking." Authority of the Board to differentiate between activities commenced de novo and activities commenced by acquisition of a going concern is a new and more flexible authority in this paragraph. It stretches credulity to imply that all these changes accomplished nothing and that in effect they were mere idle gestures.

For the benefit of those who wish to form their own judgment from the facts, here is the exact text of the exemptive authority that appears in section 4(c)(8) of existing law:

(8) shares of any company all the activities of which are or are to be of a financial, fiduciary, or insurance nature and which the Board after due notice and hearing, and on the basis of the record made at such hearing, by order has determined to be so closely related to the business of banking or of managing or controlling banks as to be a proper incident thereto and as to make it unnecessary for the prohibitions of this section to apply in order to carry out the purposes of this Act;

And here is the exact language of the new section 4(c)(8) as it appears in the conference report:

(8) shares of any company the activities of which the Board after due notice and opportunity for hearing has determined (by order or regulation) to be so closely related to banking or managing or controlling banks as to be a proper incident thereto. In determining whether a particular activity is a proper incident to banking or managing or controlling banks the Board shall consider whether its performance by an affiliate of a holding company can reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interest, or unsound banking practices. In orders and regulations under this subsection, the Board may differentiate between activities commenced de novo and activities commenced by the acquisition, in whole or in part, of a going concern;

In voting for the changed text it certainly was my intent that the Federal Reserve Board be given more flexible authority under section 4(c)(8) of the act and it is my sincere belief such change was accomplished. This is the unanimous position of the three minority conferees for the House. A contrary view has been expressed in the statement of managers and it is for this reason the three minority conferees of the House refused to sign this statement of managers on the part of the House. It should be noted, however, that we three minority conferees did sign the conference report as we support completely the text of the law as contained in the conference report.

Under existing operating rules, the Senate conferees have no control over the only explanatory statement which accompanies the conference report. As the name indicates, the explanatory statement is solely a statement of managers on the part of the House. The Senate conferees will make their position clear in discussion of the conference report on the floor of the Senate. When the record is complete, I am sure it will show that the four House majority conferees, although a majority of the seven House conferees, nevertheless are a distinct minority of the 12 House and Senate conferees who were responsible for forging the language of the conference report. On the record it will be clear that a substantial majority of the 12 conferees, sought and achieved change in section 4(c)(8) authority to give the Federal Reserve Board the more flexible authority it sought for administering that provision of the law.

Copies of the letters to which I previously referred follow:

THE GENERAL COUNSEL
OF THE TREASURY,
Washington, D.C., November 17, 1970.

Hon. WILLIAM B. WIDNALL,
House of Representatives,
Washington, D.C.

DEAR MR. WIDNALL: In regard to your request, we appreciate the opportunity to express our views on H.R. 6778, legislation designed to bring one-bank holding companies within the purview of the Bank Holding Company Act of 1956. We have every hope and expectation that the Conference Committee will be able to resolve the differences between the House and Senate versions satisfactorily and that this legislation will soon be presented to the President for his approval.

Both the Senate and House bills would amend the definition of "bank holding company" in section 2(a) of the Bank Holding Company Act of 1956, to include one-bank holding companies, to eliminate the exception for partnerships, and to broaden the concept of control. In these respects, there seems to be little substantive difference between the two versions. Of the two versions, however, we regard that contained in the Senate bill as more easily understandable and, therefore, preferable. We do not fully understand the use of the word "person"

in the House bill, and we would regard the use of that word as undesirable, particularly since it does not appear to be the intent of the House to make individual persons one-bank holding companies.

Also, with respect to the exemption which would be granted for foreign banking under both bills, we believe it to be highly desirable that there be omitted the restrictive words "by directly or indirectly facilitating the foreign commerce of the United States." These words, which appear at page 4, lines 9–11 of the House bill, are not contained in the Senate bill. These words are unnecessarily restrictive as there can be other ways in which exemptions for foreign banks can be in the public interest as, for example, avoiding the possibility of retaliation against American branch banks abroad.

We have the same comment with respect to the same words which appear also in section 4(a)(12) as it would be added by the House bill at page 5, lines 1–3.

Section 4(c) would be amended by the House bill to eliminate the exemption contained in the Bank Holding Company Act for any bank holding company which is a labor, agricultural, or horticultural organization and which is exempt from taxation under Section 501 of the Internal Revenue Code. The elimination of this exemption is desirable and we recommend adoption of this provision of the House bill.

An important aspect of the pending legislation is the revision of section 4(c)(8) of the Bank Holding Company Act concerning the nonbanking activities in which bank holding companies will henceforth be permitted to engage. Both the House and Senate bills will permit, with the approval of the Federal Reserve Board, the retention or acquisition by a bank holding company of shares in a subsidiary corporation which is engaged solely in activities that the Board has determined are functionally related to banking and can reasonably be expected to produce benefits to the public that outweigh possible adverse effects. The House bill would limit such activities to those which are of a financial or fiduciary nature. We believe that the basic concept contained in both bills, to the effect that bank holding companies should be permitted to own subsidiaries engaging in activities functionally related to banking, is highly desirable. We are concerned, however, at the further limitations placed on this concept by subsection (f) of section 4 as it would be added by the House bill, beginning at the bottom of page 6. Furthermore, we believe that the retention of section 104, which would be added by the Senate bill, and which we favor, obviates the necessity for retaining subsection (f).

Subsection (f) would state that certain activities are neither necessary, incidental, nor related to carrying on the business of banking and are not in the public interest to be carried on by bank holding companies or subsidiaries thereof. The activities listed are: (1) engaging in the issuing or underwriting of securities or of interest in securities, whether or not redeemable and whether or not in a fund or an account; (2) providing insurance, except for credit-life insurance, or as otherwise permitted to banks; (3) engaging in business as a travel agency; (4) engaging in the business of providing professional services in the field of accounting; (5) engaging in the business of providing data processing services; and (6) engaging in the business of leasing property except under certain specified arrangements.

These specific prohibitions represent unduly inflexible prohibitions against activities in which banks themselves are now engaged and which are at least to some extent functionally related to banking. We can conceive of no reason why bank holding companies should be precluded from engaging in the activities if the Federal Reserve Board finds that their performance by a subsidiary of a bank holding company can reasonably be expected to produce benefits to the public that outweigh possible adverse effects.

With respect to any contention that might be made that banks might use their economic power to coerce customers of the bank to use these services of bank affiliates, we would point out (1) that there is no more reason that this should be true with respect to these services than any other services provided by bank affiliates and (2) that any such possibility would be substantially eliminated by the adoption of section 104 of the Senate bill. Section 104 provides that a bank shall not in any manner extend credit, lease or sell property, furnish any services, or fix or vary the consideration for any of these on the condition or requirement that the customer shall obtain or furnish some additional credit, property, or service from or to the bank or an affiliate of the bank. Under this section, banks will be precluded from coercing customers, and any bank which does so, can be subjected to a triple-damage suit by any competitor injured thereby. The Attorney General would also have the authority and the responsibility for the enforcement of the prohibitions contained in section 104.

The enactment of section 104 would provide adequate protection to nonbanking organizations now engaged in the activities listed in the House bill against unfair bank competition. No one, of course, in a free enterprise society should be exempt from fair competition whether by banks or by others. In addition to section 104, the antitrust laws contain adequate protection against unfair competition by banks as well as by other types of business organizations.

You will recall that the Treasury Department, the Justice Department, and the Federal Reserve Board all testified in opposition to including in the legislation a list of proscribed activities. We continue to be strongly opposed to this approach to legislation, and we urge the deletion, in its entirety, of subsection 4(f), which would be added by the House bill.

Section 4(c)(11) as it would be added by the House bill is unduly restrictive as well as being quite unfair to long-established businesses, and we recommend adoption of section 4(c)(11) of the Senate bill. This permits the retention of nonbanking interests which were held by a one-bank holding company on June 30, 1968, which is the "grandfather clause" date recommended by the Administration.

We have no objection to section 4(c)(12) as it would be added by the Senate bill. A similar provision was contained in the legislation recommended by the Administration. Neither do we have any objection to sections 4(c)(13) nor 4(c)(14) which would be added by the Senate bill.

Section 4(d), as it would be amended by the Senate bill, would permit companies that are one-bank holding companies as of the date of enactment of the Bank Holding Company Act Amendments of 1970, which have only one subsidiary bank, to continue to make nonbanking acquisitions provided that the net worth of the bank does not exceed the greater of $3,000,000, or an amount equal to 25 per cent of the net worth of the company, or $50,000,000, whichever is the lesser.

We are concerned with the fact that this amendment would exempt from significant prohibitions, conglomerate holding companies which acquired banks as late as the date of enactment of the legislation, rather than being confined to the June 30, 1968 "grandfather clause" date in the bill. The provision, as written, seems to us to be an open invitation to corporations now owning no bank or banks to acquire a bank before the legislation becomes effective.

Second, we also have reservations concerning the size of the banks which would be permitted to be held by conglomerate corporations that under this amendment would be free to continue to expand in nonbanking areas. A bank with $50,000,000 net worth could have total assets well in excess of $500,000,000. We do not believe that corporations holding banks of this size should be free of restrictions on making nonbanking acquisitions.

Section 11(b) of the Bank Holding Company Act would be amended by the House bill to confine to bank mergers and bank acquisitions the special treatment accorded under that section to bank mergers and acquisitions of banks under the antitrust laws. We regard this clarifying amendment as highly desirable. The consequences of not adopting this amendment would be to add uncertainty and confusion under the antitrust laws to acquisitions by bank holding companies of nonbanking corporations. We are opposed to this, and we doubt that this result was intended by the Senate.

Title II, as it would be amended by the Senate bill, incorporates the recommendations of the Administration for amendments to the Coinage Act of 1965 to provide for the minting of not more than 150 million 40% silver one-dollar coins which the Secretary of the Treasury has stated will bear the likeness of the late President Eisenhower. We strongly recommend the adoption of Title II.

The Department has been advised by the Office of Management and Budget that there is no objection from the standpoint of the Administration's program to the submission of this report.

Sincerely yours,

SAMUEL R. PIERCE, Jr.

OFFICE OF THE DEPUTY ATTORNEY GENERAL,
Washington, D.C., November 17, 1970.

Hon. WRIGHT PATMAN,
Chairman, Committee on Banking and Currency, House of Representatives, Rayburn House Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request for the views of the Department of Justice on major issues to be presented to the House-Senate Conference in connection with pending legislation to amend the Bank Holding Company Act of 1956. We appreciate the opportunity to comment on this important matter, and hope our views will be helpful to the Conferees. Specifically, you asked for the Department's views on the following "five key issues" which the Conferees must resolve:

(1) A proper cut-off date or grandfather clause before which the amendments being adopted would not apply.

(2) The so-called "conglomerate amendment" adopted by the Senate exempting under certain size limitations a significant number of conglomerates from application of this Act.

(3) The tie-in provisions which would prevent a bank or bank holding company from conditioning the sale of one service on the purchase of another service offered by the bank or bank holding company, with certain exceptions made in the Senate provision.

(4) An acceptable definition of what constitutes a proper nonbank activity for bank holding companies.

(5) The provision in the Senate bill providing nonbank competitors of bank holding companies standing before the Federal Reserve Board and the courts in any application of a bank holding company to enter a nonbanking business.

1. The "grandfather" date question: arriving at a proper cut-off date before which the 1970 amendments would not apply.

The Department of Justice has always supported the adoption of an appropriate "grandfather" clause, which would permit bank holding companies being brought within the coverage of the Act by H.R. 6778 to

retain historic investments in activities outside the scope of those to be permitted under new Section 4 of the Act. The Administration bill (H.R. 9385 and S. 1664) chose June 30, 1968 as an appropriate grandfather date. In selecting this date, we sought to strike an equitable compromise between disturbing long standing investments on the one hand, and the wholesale avoidance of the policies of the new legislation on the other. The date June 30, 1968, was selected because it predated the wave of one-bank holding company formations by the nation's largest institutions. This wave was touched off by the announcement early in July 1968 that First National City Bank of New York intended to take this route as a means of expanding its activities outside the banking field. Accordingly, we reasoned that a June 30, 1968 grandfather date would protect the activities of the older, and for the most part smaller, bank holding companies while leaving the new rules fully applicable to the newer bank holding companies. We believe that this compromise is fair, and note that it was adopted by the Senate in its version of H.R. 6778 (with the exception of the "conglomerate" and small bank provisions in Section 103(7) of the Senate version).

We support that aspect of the grandfather clause adopted by the Senate which limits the manner in which companies desiring to continue to engage in a grandfathered activity may do so. Nothing in the grandfather clause should authorize any further expansion in grandfathered activities through merger or acquisition.

2. The so-called "conglomerate amendment" adopted by the Senate exempting under certain size limitations a significant number of conglomerates from application of this Act.

Section 103(7) of the Senate passed version of H.R. 6778, the so-called "conglomerate amendment", would amend Section 4(d) of the Bank Holding Company Act of 1956 to exempt from the limitations on nonbanking activities imposed by Section 4 of the Act two classes of companies that would otherwise have been covered by this legislation: (a) companies controlling only one bank whose net worth is less than $3 million, and (b) companies controlling only one bank whose net worth is less than 25 per cent of the net worth of the company itself, including all of its subsidiaries, so long as the net worth of the bank does not exceed $50 million. No comparable provision appears in the House version.

We opposed this new subsection when it was introduced in the Senate and continue to do so. The provision has been defended as merely a grandfather treatment of "small bank" holding companies and conglomerates which own a bank. We do not view it as such; rather than simply permitting exempted companies to continue to engage in their present activities (as would the "grandfather" clause discussed above), this new subsection would leave such companies entirely free to expand into whatever new activities they choose, free of the limitation that such expansion be in financially related activities and free of any regulatory review. The vast majority of existing one-bank holding companies whose activities this legislation sought to regulate would be exempted by this provision.

In our view, the fact that a conglomerate company's nonbanking assets are three times those of its banking assets bears little relation to whether common control over banking and industry presents competitive dangers. Giving a particular set of conglomerate companies carte blanche not only to retain both their banks and other non-financially related holdings, but also to continue diversification, is clearly at odds with the purposes of this legislation. In fact, since banks continually follow substantial growth patterns, a conglomerate company seeking to retain its exemption would be compelled to increase its other holdings at three times the growth rate of its bank. It is likely that such growth would require substantial mergers and acquisitions, thus further compounding the potential adverse effects that are recognized by other sections of both the House and Senate versions of H.R. 6778, including that provision which recognizes the competitive dangers of growth by acquisition as opposed to growth by *de novo* expansion (Senate Section 103(6); House Section 1(e)).

In our view, an exemption for companies controlling banks with net worths of less than $3 million is equally without merit. Banks of this size typically hold deposits of up to about $30 million, and while not among the largest banks in our major metropolitan areas, are nonetheless powerful economic forces, particularly in medium sized and smaller markets. Indeed, in smaller markets, where banking alternatives tend to be more limited, the dangers attending bank ownership of other segments of commerce and industry tend to be more serious from the standpoint of competitive policy. We note that any company qualifying for the $3 million exemption (and companies could continue to qualify until this legislation is finally enacted) would be put on notice by the statute that normal growth of its bank will sooner or later cause the exemption to be lifted, absent some waiver by the Federal Reserve Board.[1] Unless the Board adopts a wholesale waiver policy, such companies will be induced to seek affiliation with a larger company, in order to graduate from the small bank exemption to the conglomerate exemption. And it is not unlikely that such companies will become acquisition targets for any conglomerate which did not buy a bank in time to qualify for its own exemption. Such a result is patently inconsistent with the objectives of this legislation.

Both the conglomerate and the small bank exemptions have been defended by arguments that no abuses have resulted from the exempted affiliations and that equity requires special consideration for acquisitions perfectly legal when made. As noted above, we recognized these arguments in the selection of an appropriate grandfather date. However, there is no reason why these specific companies should be given a preferred position vis-a-vis all other bank holding companies. To the argument that no specific abuses have been demonstrated, it need only be responded that the entire thrust of this legislation is prospective in nature; it was not intended to redress particular grievances, but rather to prevent the development of undesirable corporate combinations of banks and nonbanking industries.

To summarize, since no case has been presented demonstrating that the companies exempted by this amendment and which would otherwise be covered by this legislation should be accorded "grandfather" treatment (which as we note above is actually a misnomer) different from that to be accorded others, and since the special relief suggested is at odds with the basic intent of the legislation, and not sufficiently mitigated by alleged safeguards to be contained in new section 4(d), we urge the Conferees not to adopt either the "conglomerate" or "small bank" exemption.

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[1] This provision, standing alone, would create an incentive for a bank covered to keep its capital low enough so that its net worth would remain below $3m.—a situation which might not be desirable from the standpoint of regulatory policy. It may be, in practice, that this incentive would be offset by other considerations, including regulatory action and a need for a higher legal lending limit.

3. The tie-in prohibitions and the exemptions thereto.

Section 104 of H.R. 6778 as enacted by the Senate would absolutely prohibit what have come to be known as tying arrangements. Under its provisions, no bank could extend credit, lease or sell property, furnish any service, or fix or vary the consideration for any of the foregoing upon the condition or requirement that the customer obtain or provide some additional credit, property or service from or to the bank, a bank holding company of such bank, or any other subsidiary of such bank holding company; or that the customer refrain from dealing with their competitors. Exceptions are provided for certain traditional services offered by banks (*i.e.*, loans, deposits, discounts and trust services), and for certain negative agreements traditionally imposed to assure the soundness of credit. Thus, the anti-tying clause constitutes no threat to what has come to be known as "full service" banking.

The House version of H.R. 6778 contains no similar provision, although H.R. 6778 as originally introduced in the House did contain a similar section proscribing tying arrangements involving banks, bank holding companies, and their subsidiaries. The Administration bill (H.R. 9385 and S. 1664) also contained provisions prohibiting tying arrangements involving bank holding companies and their subsidiaries.

Section 104 of the Senate version of H.R. 6778 would prevent bank customers from being required to accept unwanted products or services as a condition of obtaining bank services that they desire. Equally important, it would help prevent the use of the considerable economic power that banks enjoy as a result of their control over money and credit as an anticompetitive tool in other markets in which banks and their affiliates may compete.

Under Section 104, tying arrangements would be absolutely prohibited, without proof of actual competitive injury. We regard this approach as appropriate, as little case can be made in favor of arrangements which "serve hardly any purpose beyond the suppression of competition." *Standard Oil Co.* v. *United States*, 337 U.S. 293, 305–06 (1949). However, we also support the authority provided to the Federal Reserve Board to permit such exceptions to the Section's prohibitions as would not be contrary to its purposes, as some flexibility seems desirable in order to guard against an overly broad interpretation of the Section.

The Administration's principal concern during the course of this legislation has been that to permit banks to enter other areas of the economy via the holding company route would increase the opportunity of tying nonbanking products and services to the offering of credit. When it became apparent that banks themselves are also presently offering a variety of such products and services and that tying arrangements based on bank power over money and credit are equally objectionable regardless of whether or not a separate affiliate is involved, it became appropriate to extend the coverage of the anti-tying clause to all such arrangements.

However, when Section 104 was reported by the Senate Committee on Banking and Currency, its language was generally considered broad enough to cover certain traditional banking arrangements, such as calling upon loan customers to maintain compensating balances as partial compensation for a loan and asking correspondent banks to maintain correspondent balances as compensation for services. It could also have covered traditional loan agreement restrictions based on legitimate credit considerations. Although the Senate Committee Report made clear that the powers of the Fed-

eral Reserve Board to make exceptions to the Section's coverage were intended to preserve traditional banking practices that did not present seriously anticompetitive effects, it was thought by some, including the Federal Reserve Board itself, that limited exceptions for such practices should be included within the statutory language.

Since these traditional banking practices had not been subjected to close scrutiny during the course of the legislation through the Congress, we supported amendment of Section 104 on the floor of the Senate to exclude them from the bill's coverage. We stress, however, that we do not believe that enactment of the antitying clause as it passed the Senate should be viewed as Congressional endorsement of the legality or desirability of "traditional" practices which are excepted from its coverage. Rather, these exceptions should be interpreted as a decision not to apply the absolute proscriptions of Section 104 to such practices, at least at the present time. It is important to remember that any tie-ins in the area of traditional banking practices will remain fully subject to normal sanctions under the antitrust laws. *Cf. Fortner Enterprises, Inc.* v. *United States Steel Corp.*, 394 U.S. 495 (1969).

To summarize, we believe that Section 104 as it appears in the Senate version of H.R. 6778 (including the exceptions for traditional banking services) would provide a valuable supplement to existing remedies against anticompetitive tying arrangements and urge the Conferees to adopt this provision.

We would suggest a few essentially technical amendments to the tying clause as it appears in the Senate version of the bill dated September 16, 1970.

(i) the last clause of subsection (b)(4) [page 26, lines 17–18] should read "or to any other subsidiary of *such* bank holding company;" rather than "or to any other subsidiary of a bank holding company;"

(ii) in subsection (d) [page 27 at line 24] strike "in civil actions";

(iii) subsection (g), which imposes a four year statute of limitations should be amended by the addition of language which would toll the running of the statute of limitations for private rights of action arising under the section during the pendency of government enforcement actions based on the same matter, and for one year thereafter, in the matter of 15 U.S.C. § 16(b). This would create a more realistic opportunity for use of the private remedies, and would achieve consistency between the enforcement provisions of the Clayton Act and those of the anti-tying clause, greatly simplifying any litigation alleging violations of both the anti-tying clause and the antitrust laws.

4. An acceptable definition of what constitutes a proper nonbank activity for bank holding companies.

Both the Senate and House versions of H.R. 6778 would amend Section 4 of the Bank Holding Company Act of 1956 dealing with nonbank activities of bank holding companies. Under the Senate version, a bank holding company could engage in activities that the Federal Reserve Board has determined to be "functionally related to banking in such a way that their performance by an affiliate of a bank holding company can reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased competition, conflicts of interest, or unsound banking practices."

The House version contains what we consider to be substantially similar language: bank holding companies and their subsidiaries may engage in "any activity of a financial or fiduciary nature if the Board finds . . . that the carrying on of the activity in question by the applicant . . . or by bank holding companies or their subsidiaries generally . . . will be functionally related to banking and can reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects such as undue concentration of resources, decreased or unfair competition, conflicts of interest, or unsound banking practices."

Both the Senate and House versions make it clear that the Board may differentiate between activities commenced *de novo* and activities commenced by the acquisition, in whole or in part, of a going concern.

In general, either of these definitions appears acceptable, as each focuses on the nature of the activity and its basic economic merits when engaged in by a bank holding company or its subsidiaries. Under either version, bank holding companies would be limited to financially related activities. Since the business of banking is not a static form of activity, the banking community has developed substantial expertise that would be applicable to many financial areas. Thus, there is a good case for providing greater flexibility as to the financial areas which banks and their affiliates are permitted to enter—provided this can be accompanied with adequate safeguards for competition and other interests. Innovation in financial fields should be encouraged and it seems particularly desirable to permit bank holding companies to enter other financial markets where competition is weak or where real efficiencies will result.

Both the House and Senate definitions eliminate a very restrictive and essentially legalistic standard presently contained in section 4(c)(8) of the Bank Holding Company Act of 1956; i.e., whether the activity in question is so closely related to banking as to be a "proper incident" thereto. We support the elimination of the present standard because we feel that the definition of acceptable activities should direct regulatory attention to more pertinent economic factors, including competition. Both the House and Senate versions enumerate some of the positive and negative considerations that should be taken into account, but we do not think that these are necessarily exhaustive. The major feature of both versions is the empowering of the Federal Reserve Board to make full use of its economic competence and expertise in financial matters in authorizing the most effective use of the nation's financial resources and talents.

Quite naturally, we believe that competitive aspects should play an important role in determining exactly which activities bank holding companies should be authorized to enter in related financial fields. Either definition would give the Board greater latitude in considering such factors than does existing law. In particular, we consider differentiation between activities commenced *de novo* and activities commenced through acquisition of a going concern to be of prime importance in as much as the competitive aspects of a given bank holding company activity may be more substantially affected by the manner of entry than by the nature of the activity itself.

In some, partly technical respects, the provisions in the House version dealing with bank holding company activities in financially related fields are more attractive than those in the Senate version. The House provisions, which would become new subsection 4(e) of the Act, specifically authorize the Board to conduct proceedings on the merits of the carrying on of a particular activity by an individual applicant, or by bank holding companies or their subsidiaries generally, and to issue orders or regulations appropriate to the circumstances. The House version also specifically authorizes the Board to set forth limitations and conditions in such orders and regulations. On the other hand, the Senate provisions, which would appear as new subsection 4(c)(8) of the Act, direct the attention of the Board only to the merits of a particular activity when performed "by an affiliate of a bank holding company." Although the authority of the Board under the Senate language should be interpreted as broadly, the statutory technique of the House version appears preferable.

Section 1(f) of the House version of H.R. 6778 would amend section 4 of the Act by adding a new subsection describing activities that are "neither necessary, incidental, nor related to carrying on the business of banking or of managing or controlling banks, and are not in the public interest to be carried on by bank holding companies or subsidiaries thereof." The activities included are those of the securities business, most types of insurance, travel agency activities, auditing and other accounting services, most data processing, and the leasing of property. This provision of the House version has come to be known as the "laundry list" of activities proscribed to bank holding companies and their subsidiaries. No comparable provision appears in the Senate version, nor in the Administration measure.

In our view, the laundry list is a very serious defect in the House version. Its absolute proscriptions are inflexible and unsound. They are at cross purposes with what should be the basic intent of the bill—to permit bank entry into related financial activities where adverse economic effects would be insubstantial and where advantages to the public interest would be great. We do not believe that economic evidence justifies a legislative conclusion that *any* entry by *any* bank affiliate into *any* of these areas in *any* market would necessarily have adverse effects outweighing possible benefits. The better alternative would be to eliminate these flat proscriptions, enabling the regulatory agency to apply the general standards of the statute in a non-discriminatory manner with appropriate judicial review permitted. Indeed, the Board may ultimately decide that some or all of the activities enumerated in the House version should be out of bounds for banks, but one of the bill's most important features, flexibility, would still be preserved. Such a flexible course would permit banks to demonstrate, now or in the future, that their entry into specific activities in a given manner would be in the public interest. It would also prevent immediate adverse competitive effects in the markets legislatively insulated from bank competition, effects which would attend the absolute removal of a whole class of potential entrants. Accordingly, we strongly urge passage of a bill that does *not* contain a list of specified activities which are arbitrarily and unconditionally proscribed for banks.

It is true that the Congress in 1933 enacted section 20 of the Glass-Steagall Act (12 U.S.C. § 377) preventing banks and their affiliates from engaging in the securities business—a restriction which we continue to support.[2] This Glass-Steagall prohibition, however, was based on substantial evidence of abuses in the 1920's which were found to have contributed to the ill health of the banking industry by the end of that decade. In our view, such absolute legislative proscription is unsound absent convincing evidence adduced to prove the absence of any possible beneficial effects which might outweigh adverse consequences. No such evi-

[2] No consideration of the securities business appears in the general language in the House version as it does in that of the Senate; if the laundry list is eliminated, we would suggest that the general House definition, if adopted, be amended to follow that of the Senate in this area.

dence is present to support the prohibitions in the laundry list.

5. The question of standing before the Federal Reserve Board and the courts for nonbank competitors in § 4(c)(8) cases.

The Senate version of H.R. 6778 would add a new section 4(e) to the Bank Holding Company Act of 1956, specifically giving potential competitors of bank holding companies in nonbanking fields standing to appear before the Board as a party in interest, and to obtain judicial review of adverse orders of the Board as provided in section 9 of the Act. Under proper control, we believe that potential competitors' views would aid the Board in making the difficult decisions that will be required by this legislation, and thus we support their right to appear as parties before the Board. The criteria to be considered by the Board include competitive effects, and potential competitors are likely to be the only parties with competitive interests adverse to those of a bank holding company seeking to enter a new field. We believe that a hearing on the competitive merits of a given proposal would be incomplete without the adversary airing of such interests.

The necessity for specific Congressional authorization for potential competitors' standing before the Board and the courts is somewhat unclear. The Board recently granted the application of competing insurance associations and agencies to appear as parties during Board proceedings on the application of a bank holding company in Colorado to acquire two insurance subsidiaries (see *American Banker*, June 8, 1970). This ruling indicates the adoption of a liberal regulatory attitude in this area. While case law on the use of the appeal procedure of section 9 of the Act by nonbank competitors is nonexistent, that section could easily be interpreted as broad enough to authorize such review. However, in our view, resolution of any doubt would seem desirable.

The provision in the Senate version of H.R. 6778 would seem to satisfy this purpose, but is lacking in one significant respect. While specifically extending party standing and the right to appeal adverse decisions to nonbank competitors, it omits any reference to bank competitors who may wish to object to orders of the Board permitting bank holding company acquisitions of new banking subsidiaries under section 3 of the Act. We understand that objections of such persons are considered by the Board, but are not sure as to their precise status. The decision of the Supreme Court in *Whitney Bank* v. *New Orleans Bank*, 379 U.S. 411 (1965), provides some guidance on the use of the appeal procedure of section 9 by potential bank competitors, but as a matter of statutory soundness, we recommend that any amendment dealing with standing of potential competitors before the Board and before the courts cover those who wish to appear or object to Board decisions on both banking and nonbanking expansion of bank holding companies.

In view of the heavy regulatory burden that will be placed upon the Board, we also suggest that it might be specifically authorized to consolidate persons desiring to appear as parties into reasonable classifications or otherwise provide for orderly and not overly long proceedings, although the Board would be more competent to comment on the necessity for statutory language along this line.

In addition to the five key issues described in your letter, you invited our comments on other parts of the bill. One difference between the House and Senate versions deals with amendments to section 11 of the Act. Section 11 preserves antitrust challenges to activities of bank holding companies, but also sets out a specific procedure for contesting mergers, acquisitions, and consolidations approved by the Board. This procedure, similar to that contained in the Bank Merger Act of 1966, includes what is essentially a 30 day statute of limitations, an automatic stay of any acquisition challenged under the antitrust laws, and direction to the courts to review *de novo* the issues presented under the same standards the Board is directed to apply under section 3 of the Act, (which deals with bank acquisitions by bank holding companies, and provides what has come to be known as the "convenience and needs" defense).

With the amendment of section 4 of the Act, it is probable that the Board will be called upon to make a number of difficult decisions regarding bank holding company expansion into nonbanking fields and as the amendments indicate, competitive factors will weigh heavily in the balance. It is possible that the United States, or some private party, may wish to challenge some future ruling of the Board pursuant to section 4 under the antitrust laws, a challenge that would continue to be preserved by section 11(a) of the Act. In such event, the special procedure described above should not be applicable. The Senate version of H.R. 6778 contains no amendment to Section 11, while the House version and the Administration bill would amend this section to make clear that the special procedure applicable to antitrust challenges to bank acquisitions will not be applicable in situations involving bank holding company entry into nonbanking fields. We recommend that the Conferees adopt either the House or Administration provisions.[3]

Although no extensive debate has centered about three exemptions which appear in the Senate version of the bill, we feel it appropriate to bring them to the attention of the Conferees at this time. Proposed, new subsection 2(a)(5)(E) would exempt certain trust companies and mutual savings banks which control one bank from all coverage under conditions which limit their investments to those permitted to national banks. Section 4(c) would also be amended to except from its proscriptions on nonbanking activities companies covered in 1970 collectively owned by members of the same family on June 30, 1968, and continuously thereafter. New subsection 2(i) would provide that no company shall be deemed to control another business entity solely by attributing to the company the ownership or interest of an individual in that entity. The first two exemptions cover an unknown number of companies; the third is a more general provision which is broad enough to be a confusing factor in administrative and judicial efforts to define control over a business where such control in fact exists. We urge the Conferees to closely consider the merits of these exemptions.

The Senate version of the bill would amend subsection 4(a)(2) of the Act to redefine the activities in which bank holding companies may engage to include (a) those of banking or of managing or controlling banks and other authorized subsidiaries and (b) "those permitted under paragraph (8) of subsection (c) of this section subject to all the conditions specified in such paragraph or in any order or regulation issued by the Board under such paragraph." This latter category is somewhat ambiguous, for the Senate version of new subsection 4(c)(8) does not "permit" a bank holding company to engage in any activities; rather it authorizes the holding of shares in companies engaged in certain activities. In addition, the Senate version of proposed new 4(c)(8) does not itself specify "conditions" nor specifically authorize the Board to issue both orders and regulations dealing with bank holding company activities in general, or those of a specific bank holding company in a specific activity, in financially related fields. Thus, it would appear that the language of category (b) and the subsection 4(c)(8) to which it refers, should be clarified. We have noted above the merits of the House language covering bank holding company activity in related financial fields, particularly the specific authority it grants to the Board to deal with applications on an individual basis or to conduct more generalized proceedings. The House language also specifically authorizes the Board to set forth limitations and conditions in its orders and regulations. It seems apparent that an orderly statutory scheme in this area can be formulated from the House and Senate versions, and we have offered these comments only to underscore the need for careful attention to the language finally adopted, in order that the various components of amended section 4 will unambiguously complement one another.

Finally, there are two relatively minor matters that appear in the House version upon which we would comment at this time. First, it would appear that the House versions of proposed new sections 2(a)(3) and 2(a)(4), dealing with the effects of holding less than 5% of the voting shares of a bank, should read "directly *or* indirectly" rather than "directly and indirectly." Secondly, the House version would add a new sentence to section 5(b) of the Act requiring the Board to invite the views of the Attorney General as to competitive factors involved in applications under section 4. As a matter of practice, the Board has given the Attorney General notice of applications for bank acquisitions filed under section 3 of the Act, although not specifically required to do so by statute, and has considered our comments in response thereto. Therefore, the necessity for this House amendment is not clear. On balance, we favor this amendment, so long as it does not compel the Attorney General to submit a competitive report on all applications, regardless of the absence of any real anticompetitive effects.

We hope our comments will be useful to the Conferees, and will be glad to provide any further assistance that may be desired.

The Office of Management and Budget has advised that there is no objection to the submission of this report from the standpoint of the Administration's program.

Sincerely,

RICHARD G. KLEINDIENST,
Deputy Attorney General.

WASHINGTON, D.C.,
November 19, 1970.

Hon. ARTHUR F. BURNS,
Chairman, Board of Governors, Federal Reserve Board, Washington, D.C.

DEAR CHAIRMAN BURNS: As you no doubt know, the House and Senate conferees on H.R. 6778, the bank holding company bill, have been meeting for the last two days to attempt to resolve the differences in their versions of the bill.

A majority of the House conferees has proposed, in return for dropping the so-called laundry list in the House version of H.R. 6778, that the conference adopt as the standard by which the Federal Reserve Board would make determinations in Section 4(c)(8) applications, the language of the 1956 Act with certain modifications including the deletion of the "financial, fiduciary and in-

[3] A minor difference does exist between the Administration bill and the House amendments to section 11. The former did not alter section 11(c); the Board could continue to intervene as a party of right in antitrust litigation arising out of Board rulings pursuant to both section 3 and section 4. The House version amends section 11(c) to authorize such intervention only in litigation arising out of Board rulings under section 3. We do not consider this point to be of major significance; if the Board wishes specific authorization to intervene in all situations, we would have no objection.

surance" language. Enclosed is a copy of the compromise discussed above.

A majority of the House conferees has made it clear that it will not compromise further than the proposal outlined above in connection with the bank related activities issue. Therefore, I request the Board of Governors of the Federal Reserve to express its views on whether it would prefer having the one bank loophole to the Bank Holding Company Act of 1956 removed while retaining essentially the standard on Section 4(c)(8) applications stated in the 1956 Act, or would prefer that no legislation on this issue be enacted during this Congress.

We would appreciate your answer to this question as soon as possible, preferably by noon on Saturday. Since it appears that the conferees have narrowed this crucial issue down to the question propounded above, it would be appreciated if you would limit your reply to the above stated question.

Sincerely yours,

WRIGHT PATMAN,
Chairman.

ENCLOSURE

The House conferees agreed to recede with an amendment which reads as follows:

Section 4(c)(8) is amended to read:

"(8) shares of any company the activities of which the Board after due notice and opportunity for hearing, has determined to be so closely related to the business of banking or of managing or controlling banks as to be a proper incident thereto and can reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices. In orders and regulations under this subsection, the Board may differentiate between activities commenced de novo and activities commenced by the acquisition, in whole or in part, of a going concern."

CHAIRMAN OF THE BOARD OF GOVERNORS, FEDERAL RESERVE SYSTEM,
Washington, D.C., November 23, 1970.

Hon. WRIGHT PATMAN,
Chairman, Committee on Banking and Currency, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: I am writing in reply to your letter of November 19, 1970, regarding H.R. 6778, the bank holding company bill.

The Board has recommended, and continues to recommend, that section 4(c)(8) be revised to enable bank holding companies to engage, through nonbank subsidiaries, in any activity that is "functionally related to banking in such a way that its performance by an affiliate of a bank holding company can reasonably be expected to produce benefits to the public . . . that outweigh possible adverse effects . . ." Once a particular activity is determined to be permissible under this standard, Board approval would be required before a holding company could establish a subsidiary to engage in the activity. This screening process would identify the kinds of services related to banking that bank holding company systems are likely to be able to offer the public conveniently and efficiently, and would establish conditions under which entry into the authorized lines of business should enliven competition rather than diminish it.

These results could be reached by interpretation under the draft paragraph enclosed with your letter. However, less uncertainty and perhaps less need for future statutory revisions would be experienced if changes are made to solve two problems discussed in the next two paragraphs.

First, in the limited area in which applications have been approved under the existing section 4(c)(8), the Board has in the past interpreted the statute as requiring a "direct and significant connection" between the activities of the proposed subsidiary and those of the subsidiary banks of the holding company. But we do not believe it is desirable to unduly restrict entry by nonbank subsidiaries into markets that are distinct from those served by the subsidiary banks of the holding company. This position may lessen risks of tie-ins and is consistent with Governmental policies to promote competition. This was one of the reasons we recommended that "closely related" be changed to read "functionally related" in the statute; we wanted to avoid perpetuating the concept that a nonbank subsidiary's business must be related to the business of an affiliated bank. If the conferees prefer to keep "closely related" in the language of the statute, our objective would be served by changing the words "the business of banking or of managing or controlling banks" to read "banking or managing or controlling banks." We have in mind indicating that a nonbank subsidiary's activities should be related to banking (or managing or controlling banks) generally, rather than to the specific business carried on by the subsidiary banks of the particular holding company involved.

Second, we think the language of the statute should make clear that there are two tests to be satisfied in deciding whether nonbank subsidiaries of bank holding companies should be allowed to engage in a particular activity: (1) whether the activity is closely related to banking, and (2) whether it is a proper incident to banking, and that in applying the second test, the Board is to weigh the possible benefits to the public against the risks of adverse consequences. We believe that the language proposed by the House conferees might be misconstrued to apply three tests: (1) whether the activity is closely related, (2) whether it is a proper incident to banking, and (3) whether the benefits outweigh the risks. To avoid such a possibility, we suggest the following revision (which also incorporates the changes discussed above). Language in brackets would be omitted, language in italics would be inserted.

"(8) shares of any company the activities of which the Board after due notice and opportunity for hearing has determined [to be so] *are* closely related to [the business of] banking or [of] managing or controlling banks [as to be] *and are* a proper incident thereto . [and] *In determining whether a particular activtiy is a proper incident to banking or managing or controlling banks the Board shall consider whether its performance by an affiliate of a holding company* can reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices. In orders and regulations under this subsection, the Board may differentiate between activities commenced de novo and activities commenced by the acquisition, in whole or in part, of a going concern."

I have offered these comments in the hope that the conferees are prepared to consider suggestions designed to help accomplish objectives with which we believe you agree. In the Board's judgment, the modifications we suggest serve to clarify and are in harmony with the language attached to your letter.

The Board continues to feel it is highly important to enact one-bank holding company legislation this year, rather than start the process over again next year, with all the uncertainties and complications that might be invited. One member of the Board, Governor Robertson, would support the language attached to your letter without change.

Sincerely yours,

ARTHUR F. BURNS.

WASHINGTON, D.C.,
November 23, 1970.

Hon. ARTHUR F. BURNS,
Chairman, Board of Governors of the Federal Reserve System, Federal Reserve Building, Washington, D.C.

DEAR DR. BURNS: Your letter of November 23, in reply to my letter of November 19, 1970, regarding H.R. 6778, the bank holding company bill, was received at five o'clock this afternoon.

The question I asked in my letter of November 19, is as follows:

"A majority of the House conference has made it clear that it will not compromise further than the proposal outlined above in connection with the bank related activities issue. Therefore, I request the Board of Governors of the Federal Reserve to express its views on whether it would prefer having the one bank loophole to the Bank Holding Company Act of 1956 removed while retaining essentially the standard on Section 4 (c) (8) applications stated in the 1956 Act, or would prefer that no legislation on this issue be enacted during this Congress."

Our conference committee meets at 10 a.m. tomorrow morning. Please give us an answer to this question as the answer that you gave in your letter of November 23 is obviously not an answer to the question submitted.

Sincerely yours,

WRIGHT PATMAN.

CHAIRMAN OF THE BOARD OF GOVERNORS, FEDERAL RESERVE SYSTEM,
Washington, D.C., November 24, 1970.

Hon. WRIGHT PATMAN,
Chairman, Committee on Banking and Currency, House of Representaives, Washington, D.C.

DEAR MR. CHAIRMAN: Your letter of November 23rd repeats a question you put to the Board in your letter of November 20th. I have already answered this question on behalf of the Board in my letter of November 23rd.

Let me turn now to the question you put to me yesterday over the phone: If I had to choose between the draft language that accompanied your letter of November 19th, and having no bill at all, what would I choose?

I have pondered this question conscientiously and I come out as follows: The decision whether there is to be a bill or not must be made by the Conference, and I do not think it would be proper for me to express a judgment on this issue.

Let me say once again, however, that I and my colleagues on the Board regard early enactment of a reasonable one bank holding company bill as imperative.

Sincerely yours,

ARTHUR F. BURNS.

(Mr. WIDNALL asked and was given permission to revise and extend his remarks.)

Mr. JOHNSON of Pennsylvania. Mr. Speaker, will the gentleman yield?

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

Mr. JOHNSON of Pennsylvania. I want to say that I was one of the conferees representing the minority side. I wish to associate myself with the remarks of the gentleman from New Jersey (Mr. WIDNALL). I agree with his statement that it was the intention of

the conferees that greater flexibility should be granted to the Federal Reserve Board. Therefore, I join with the gentleman from New Jersey in the statement he has just given.

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

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

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

I simply want to say to my colleagues here this afternoon that I concur in the remarks of the gentleman from New Jersey.

Any and all of us who have been familiar with this problem for many years can be pleased this afternoon that we are bringing one-bank holding companies under multibank legislation. This has been the intent of all of us for at least a couple of years and certainly is something that is long overdue.

Further I would like to concur with the gentleman from New Jersey in his basic interpretation of the result of the actions of the conferees in regard to the House-passed version of this bill and the Senate-passed version.

It is quite obvious to students of this particular subject that, of course, the subject of a laundry list was considered and it was dropped in the conference.

It is to be noted further that it was the unanimous decision of the conferees in signing this report that the general subject as to what should be germane to the business of one-bank holding companies would primarily be within the boundaries, and rightfully so, of the Federal Reserve Board. I think we have come to the conclusion that it would be in the best interests of all concerned to have them review the problems of existing one-bank holding companies and also to determine in the future the basic relative business activities of banks under guidelines established by the conferees.

I have been asked by a number of people how this will affect insurance companies. It would be my interpretation once again, that while I have personally believed it should be in the bill and so offered it in the conference, that there should be specifically included a provision to prohibit banks from this activity, that again would have to be up to the decision of the Federal Reserve Board.

I ask the gentleman from New Jersey if that is not his interpretation.

Mr. WIDNALL. That is certainly my interpretation.

Mr. STANTON. I will go one step further in this general discussion, and that is the interpretation of the technical language in section 4(c)(8). I would simply say in this respect that it was the intent of the conferees to change the basic language of the existing law. This was requested of the conferees and has been the established policy, I think, of the Federal Reserve, to want a little basic change in this language. I think there should definitely be pointed out the fact that the public interest is the primary consideration in respect to the future activities with which we should be concerned. I think this is a very important differentiation to make.

(Mr. STANTON asked and was given permission to revise and extend his remarks.)

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

Mr. WIDNALL. I yield to the gentle man from Wisconsn.

Mr. REUSS. I thank my friend from New Jersey for yielding.

Mr. Speaker, I listened with interest to the gentleman's presentation, and with many of the points he made about the conference I am in full agreement. However, I would ask the gentleman this question: Is it not a fact that the basic language as to what a holding company system might do as contained in the 1956 act was "so closely related" as opposed to "functionally related"? That is a fact; is it not?

Mr. WIDNALL. Yes. Of course, that is the first time they put in something that is——

Mr. REUSS. But is it not further a fact that the Federal Reserve Board, the Treasury Department and the Justice Department, seeking to broaden the language of the 1956 law consistently sought to have the words "functionally related" substituted for the words "closely related"? That is a fact, is it not?

Mr. WIDNALL. No; not as I recall.

Mr. REUSS. Well, is it not a fact that as recently as during the pendency of the conference, the Chairman of the Federal Reserve Board, Dr. Arthur Burns, addressed a letter to the conferees in which he asked that the conferees use the words "functionally related"? Is that not a fact?

Mr. WIDNALL. I think Dr. Arthur Burns sent up a letter that contained the words "proper incident to banking" thereto."

Mr. REUSS. Mr. Speaker, if the gentleman will yield further, the gentleman, perhaps, misunderstood my question. Is it not a fact that Dr. Burns, Chairman of the Board of Governors of the Federal Reserve, in a letter addressed to the conferees as recently as the conference, 3 weeks ago, asked that the statutory language be "functionally related" rather than "closely related"? Is that not a fact?

Mr. WIDNALL. There was a later letter.

Mr. REUSS. I beg the gentleman's pardon?

Mr. WIDNALL. There was a later letter written on November 23, 1970, to the chairman of the committee.

Mr. REUSS. That is the letter to which I am referring. If the gentleman will refer to that letter, and I read from it:

> The Board has recommended, and continues to recommend, that Section 4(c)(8) be revised to enable bank holding companies to engage, through non-bank subsidiaries, in any activity that is "functionally related to banking in such a way that its performance by an affiliate of a bank holding company can reasonably be expected to produce benefits to the public . . . that outweigh possible adverse effects . . ."

So, there is no doubt that the Federal Reserve wanted "functionally related."

Mr. WIDNALL. In the same letter on page 3 there is this language:

> In determining whether a particular activity is a proper incident to banking or managing or controlling banks the Board shall consider whether its performance by an affiliate of a holding company can reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects—

Mr. REUSS. Mr. Speaker, if the gentleman will yield further, certainly that language is also in Dr. Burn's letter, but it is a fact, is it not, that Dr. Burns urged Federal Reserve Board-approved language right up through the conference of "functionally related" and not "closely related"?

Mr. WIDNALL. Yes; that is.

Mr. REUSS. Is it not further a fact that the conference rejected the language which the Fed asked for, and stuck to the "closely related" phrase, which is the phrase of the 1956 act?

Mr. WIDNALL. No; they did not.

Mr. REUSS. Does the gentleman suggest that the words "closely related" are not in the conference report now?

Mr. WIDNALL. That is not the critical wording.

Mr. REUSS. In fact, the about-to-be law which is now before this body contains the words "closely related" rather than "functionally related"; is that right?

Mr. WIDNALL. Yes.

Mr. REUSS. I thank the gentleman for yielding.

Mr. WIDNALL. Mr. Speaker, I now yield to the gentleman from Tennessee (Mr. BROCK).

Mr. BROCK. Mr. Speaker, for the purpose of establishing legislative history I would like to ask the ranking minority member and the chairman of the committee, both, this question:

The chairman of the committee, in response to a question from the gentleman from Michigan, if I understood him correctly, said that banks would be prohibited from engaging in the activities now performed by insurance agencies.

Mr. PATMAN. If the gentleman will yield, I said that the Federal Reserve Board could not comply with this law and permit insurance companies or insurance agencies to be purchased by holding companies.

Mr. BROCK. If I remember the debate that we had some several months ago in which we adopted the so-called laundry list, I think it was the very clear intention of the House by an overwhelming vote to specifically preclude banks from having the right to unduly or unfairly compete with the functions of an insurance agency. We wrote it into our language, and I cannot for the life of me understand the weakening of this bill to the extent that the chairman will not even give me a guarantee that that can be done.

Mr. PATMAN. I can give the gentleman the guarantee. All activities must be so closely related to banking as to be a proper incident thereto.

Mr. BROCK. Is it the intent of this body to write a law which would in effect, by implication, if not by a clear statement, preclude banks participating in the activities of an insurance agent; is that our intention?

Mr. PATMAN. One of the objects of the law is to keep the banks from acquiring insurance companies for the reasons gone into in the hearings before the Banking and Currency Committee on this bill. A half dozen banks could acquire a half dozen large insurance companies, and have enough reserves to actually purchase many of the big profit-making businesses in this country. That would create undue concentration of resources, which is prohibited under section 4(c)(8).

Mr. BROCK. I am fully familiar with the purpose. That is why I am concerned about it, and I am concerned as to whether or not the language of this bill is adequate to protect insurance agents from unfair competition.

Mr. PATMAN. Yes, it is; that is correct.

Mr. BROCK. Is it?

Mr. PATMAN. I hope the gentleman will be at ease.

Mr. WIDNALL. Mr. Speaker, I yield to the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. Mr. Speaker, I thank the gentleman for yielding.

I would like to ask a question of the distinguished chairman of the Committee on Banking and Currency, if I may.

In the conference report which came back from the conference committee——

The SPEAKER pro tempore. The time of the gentleman from New Jersey has expired.

Mr. PATMAN. Mr. Speaker, I yield 5 additional minutes to the gentleman from New Jersey.

Mr. WIDNALL. I thank the gentleman, and I now yield again to the gentleman from Ohio.

Mr. WYLIE. On page 4 of the conference report, if a holding company has a bank controlling assets of more than $60 million it must within 2 years have a determination made by the Federal Reserve Board as to whether it must divest.

Mr. PATMAN. That is correct. Yes; $60 million.

Mr. WYLIE. Now, it appears that a bank holding company under this act, then, where it is ordered to divest of a bank, would have until December 31, 1980, to divest either the unapproved affiliate, or the bank; is that correct?

Mr. PATMAN. It will have 10 years under the law.

Mr. WYLIE. Do I assume correctly then that a bank, or a company which takes the position that it is going to divest itself of this bank prior to December 31, 1980, may proceed with its business as usual, including acquisitions, without Federal Reserve Board approval during that 10-year period?

Mr. PATMAN. It can continue to do business as usual during the 10-year period.

Mr. WYLIE. I thank the chairman.

Mr. MONTGOMERY. Mr. Speaker, will the gentleman yield to me for a question?

Mr. PATMAN. Mr. Speaker, I yield myself such time as I may require to answer the question of the gentleman from Mississippi.

Mr. MONTGOMERY. Mr. Speaker, I thank the gentleman for yielding. I was quite interested in the protection of insurance agencies in this bill. As I understand it, when the bill passed the House, one-bank holding companies would have to divest themselves of the interest of insurance agencies as of after 1956 and this was stricken from the bill; is that correct?

Mr. PATMAN. Yes, that is correct—yes. Bank-holding companies can only acquire concerns that are closely related to banking so as to be a proper incident thereto.

Mr. MONTGOMERY. As I understood it, the reasons that insurance agents, were concerned was that some of the one-bank holding companies had gone into the fire and casualty insurance recently?

Mr. PATMAN. I beg the gentleman's pardon. I cannot yield any further to the gentleman at the present time.

Mr. MONTGOMERY. Well, I am still concerned, whether or not insurance agents are protected.

Mr. PATMAN. You made your point—yes; insurance agents are protected.

Mr. MONTGOMERY. I thank the gentleman for his answer.

Mr. PATMAN. Mr. Speaker, I yield to the gentleman from Wisconsin (Mr. REUSS) such time as he may use.

Mr. REUSS. Mr. Speaker, last week, after a very difficult House-Senate conference, the conferees agreed on a compromise version of the Bank Holding Company Act bill. Aside from extending bank holding company regulation to one-bank holding companies, the most important and controversial issue involved in this legislation has been whether to change the standard for determining what non-bank activities bank holding companies should be permitted to engage in.

The conferees had to reconcile the important differences between the House and the Senate language on this issue. The House language, in addition to containing the so-called "functionally related" test, also specifically prohibited or curtailed bank holding companies from engaging in six activities. This was an important limitation on the "functionally related" test.

The Senate bill, on the other hand, had the "functionally related" test and nothing more.

The conferees were confronted with three alternative courses of action:

First, they could leave intact the existing language of the 1956 act, thus imposing upon the Federal Reserve Board the same strictures in determining what are permissible nonbank activities for bank holding companies;

Second, the conferees could adopt a list of specifically prohibited activities while retaining the "functionally related" test; or

Third, the conferees could modify the 1956 language in such a way as to indicate a desire by the Congress to encourage greater flexibility and expansiveness by the Board in allowing bank holding companies to engage in areas of activity heretofore not permitted.

The conferees rejected the second and third alternatives, and adopted the first.

The language adopted by the conferees clearly rejects the third approach, of liberalizing the 1956 standard, despite arguments in favor of such an approach advanced by the Federal Reserve Board, the Comptroller of the Currency, the Federal Deposit Insurance Corporation, representatives of the Department of the Treasury and the Department of Justice, and witnesses representing the American Bankers Association, the Association of Registered Bank Holding Companies and numerous witnesses representing individual banking institutions.

The argument was that the 1956 language was too restrictive, too confining, too inflexible, and that a new, more liberal, more expansive and more flexible test for permissible nonbank activities should be adopted. Acceptance of these arguments would have resulted in the adoption of the "functionally related" test in lieu of what is now essentially the existing statutory test; that is, to permit those activities which the Board finds "to be so closely related to banking or managing or controlling banks as to be a proper incident thereto."

As late as November 23, 1970, during the deliberations of the conference on this bill, Chairman of the Federal Reserve Board Arthur F. Burns wrote to Chairman Patman of the House Banking and Currency Committee that—

> The Board has recommended, and continues to recommend, that section 4(c)(8) be revised to enable bank holding companies to engage, through nonbank subsidiaries, in any activity that is "functionally related to banking in such a way that its performance by an affiliate of a bank holding company can reasonably be expected to produce benefits to the public . . . that outweigh possible adverse effects . . ."

The conference decided to reject this standard.

Now, I have not been one who reject out of hand suggestions that the powers of banks—whether unit, branch, unibank holding company, or one-bank holding company—should be broadend. I welcome a complete and frank airing of this issue. I will be glad to recommend to the House Banking Committee that it hold hearings on this subject, taking extensive testimony from the Federal Reserve Board, the banking agencies, witnesses representing the administration and the banking industry. If such a broadening of the powers of banks is shown to be justified, I will be the first one to support it.

But this should be done not in the context of holding company legislation. It should be done in the context of reviewing an entire body of banking laws.

I have listened with interest to the remarks of the ranking minority member of the House Banking and Currency Committee, the gentleman from New Jersey, setting forth his views on the bank holding company conference.

There are many statements of fact in the gentleman from New Jersey's statement with which I agree.

I agree with the gentleman from New Jersey's statement that the bill reported from the House Banking and Currency Committee replaced the 1956 act "closely related" test with the "functionally related" test for permissible nonbank activities.

I also agree with the gentleman from New Jersey's statement that the House retained the "functionally related" test. However, the House also added to that test what everyone regarded as severe restrictions on bank holding company activities, the so-called negative laundry list of prohibited activities.

I agree with the gentleman from New Jersey's statement that the Senate bill contained the "functionally related" test, and I agree with the gentleman from New Jersey that the Federal Reserve Board, the Treasury Department and the Department of Justice all urged that greater flexibility be given to the Federal Reserve Board. What he fails to state is that the vehicle by which this greater flexibility was to be achieved, according to the Fed and many others was the adoption of the "functionally related" test.

The fact is that the conferees rejected the "functionally related" test and accepted the key phrase of the 1956 act—"so closely related to banking . . . as to be a proper incident thereto". By this action, the conferees clearly rejected the pleas of all those who were asking for the Federal Reserve to be given greater flexibility in interpreting section 4(c)(8).

One further point should be emphasized. In the statement of managers filed yesterday, the omission in this legislation of the phrase "financial, fiduciary, or insurance nature" from the present law was discussed in some detail. The gentleman from New Jersey asserts, without further elaboration, that this too indicated that the Congress wanted to give the Federal Reserve Board greater flexibility. It is awfully late to "discover" that this change in the law adds greater flexibility, since the prevailing views in the House report, signed by the gentleman from New Jersey, virtually ignored the same change made in the committee-passed bill and stated as clearly as could be stated that the key language in section 4(c)(8) was the "functionally related" language proposed by Chairman Martin of the Federal Reserve Board. In addition, the Justice Department letter of November 17, 1970, delivered to all the conferees, stated that there was no real difference between the House version, which retained the term "financial or fiduciary" and the Senate version, which omitted any reference to "financial, fiduciary, or insurance".

Let me also discuss the question of the general exemptions provided in the act. The bill agreed upon by the conference applies the "closely related" test to all one-bank holding companies created after June 30, 1968, and to all acquisitions of one-bank holding companies made after that date. For one-bank holding companies created prior to July 1, 1968, the Federal Reserve Board is permitted to grant exemptions under specified circumstances in the case of small banks generally located in small communities which have been controlled by bank holding companies over a long period of years.

In addition, all one-bank holding companies created prior to July 1, 1968, are exempted from regulation under the act, subject to Federal Reserve Board review.

Since the act is intended to separate banking from commerce, it should be applied to all significant holding company operations, regardless of when created. Therefore, the Federal Reserve Board is expected to remove exemptions, especially in the case of large one-bank holding companies, because it is generally agreed that significant exceptions to the coverage of the act should not be permitted.

Thus, while fairly innocuous one-bank holding company activities which have existed for a number of years without proving to be contrary to the purposes of the act may be allowed to continue, the Board will be expected to terminate exemptions for substantial bank holding companies whose operations would clearly be inconsistent with the purposes of the act.

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

Mr. REUSS. I yield to the gentleman.

Mr. STANTON. Mr. Speaker, I concur with the gentleman that we bring the one-bank holding companies under the multibank holding company legislation so that the one-bank holding company is, in general, regulated the same as the multibank holding companies.

I would like to ask the gentleman from Wisconsin if he thinks that a discrepancy exists today in the general banking industry. Are the thousands of independent banks in this country, who are not one-bank holding companies, less limited, or less flexible, than banks that are bank holding companies?

Mr. REUSS. I would like to see the artificial divisions in our system of financial institutions, among unit banking, branch banking, multibank holding companies, one-bank holding companies, done away with so that there are no artificial incentives to get into one stall or the other. I think from my conversation with the gentleman from Ohio that that is his view, too, and, I repeat, I would be most receptive in the future to constructive proposals from any source looking toward an expansion of the banking business. But let it be across the board and not in just one category.

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

Mr. REUSS. I am glad to yield to the gentleman from Ohio.

Mr. STANTON. Looking down the road—I am not sure it is so in the State of Wisconsin, but it is in the State of Ohio—we observe a rapid growth in multibank holding companies. I was wondering if the gentleman from Wisconsin was not hopeful, as I am, that when the Presidential Commission next year goes into the subject of banking, it will have something to say on the general subject of multibank holding companies?

Mr. REUSS. I am hopeful that the Commission will produce some constructive recommendations, but I would have to say that it would be even more hopeful if the Commission included some of our leaders, such as BILL WIDNALL and WRIGHT PATMAN, so that there could be a legislative presence in their deliberations. In my judgment, it would have been a better Commission if we had done that. But, of course, we will look at their recommendations.

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

Mr. REUSS. I am glad to yield to the gentleman from Tennessee.

Mr. BROCK. Again, in order to assist me in clarifying the point, and perhaps to make a little legislative history as well, I think there is a possibility that when the conferees removed the laundry list, specifically that relating to insurance and insurance agents, from the prohibitions included in the bill, there could be an interpretation by some other person reading the language later on that we intended to allow banks to engage in the activities of an insurance agency. That would not be a fair interpretation of the action of the conference, would it?

Mr. REUSS. I can categorically say that that interpretation would not be a fair interpretation. What the majority of the House conferees, in effect, agreed to was to trade the so-called laundry list of prohibited activities for a revisit of the closely related language of the 1956 act. Under that act, insurance, for example, was permitted to registered bank holding companies only to a very limited extent; and I would anticipate, as I have said before, that interpretation would remain as far as the "closely related" test is concerned.

If it is sought by the banking industry, for example, to get into insurance on a broader scale, then they should present their case to the Congress, not merely with respect to bank holding companies, but with respect to unit, branch, multibank, and one-bank holding companies, and if they make their case, I would have no hesitancy in going along with them.

Mr. BROCK. I appreciate the gentleman's response. If I may proceed to define it a little more specifically, I would appreciate the gentleman yielding.

Mr. REUSS. I yield to the gentleman from Tennessee.

Mr. BROCK. The thrust, then, of the legislative intent of the conferees would be perhaps to allow a continuation of practices such as activities in the credit life insurance field, which are directly related to the banking function, and not in the field of general insurance whatsoever.

Mr. REUSS. Certainly not in the field of general insurance; and with respect to credit insurance, I would say that the general lines picked out by the Federal Reserve in its adjudications over the years will probably be continued. After all, they are dealing with the same language, "closely related to banking." I would presume that would carry over in interpreting that test.

Mr. BROWN of Michigan. Mr. Speaker, will the gentleman yield?

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

Mr. BROWN of Michigan. The gentleman has talked about insurance in a general way. Is the gentleman talking about the writing or about the salesmen?

Mr. REUSS. It is not from a desire to duck the gentleman's question, but from a feeling that if I answered it precisely,

I would be making false and fraudulent legislative history. I am quite content to leave to the Federal Reserve the adjudication of these close insurance cases, having in mind the continued life we have given the phrase "closely related to banking." We honestly would not want to answer the gentleman's question. It trenches on what the Fed has to do.

Mr. BROWN of Michigan. If the gentleman will yield further, it seemed to me it has taken a great deal of time today to establish that which the conferees have written. Am I not correct in assuming that the conferees could not agree upon these things and that, therefore, a broad discretion was left to the Federal Reserve Board in deciding the very things we have talked about here in the way of legislative history?

Mr. REUSS. A discretion precisely as broad and not one peppercorn broader than the "closely related" phrase of the 1956 act. We gave the Federal Reserve some discretion in 1956. In my judgment the Board, by and large, has exercised it rather well. We have said: Do unto one-bank holding company systems what you have done thus far unto the multibank holding companies.

Mr. BROWN of Michigan. Mr. Speaker, if the gentleman will yield further, would the gentleman not agree a letter was sent to the chairman of the Banking and Currency Committee with respect to the language "functionally related to or managing or controlling" and that in that letter even broader discretion was asked for by the Federal Reserve Board than the gentleman is suggesting here?

Mr. REUSS. That is correct.

Mr. BROWN of Michigan. And is it not true that is the language the gentleman adopted, so therefore he has a broad discretion for the Federal Reserve Board here?

Mr. REUSS. The gentleman could not, if I may say so gently, be more wrong. We have repeatedly rejected the appeal made many times by the Federal Reserve Board to give them a functionally related phrase, which would allow the liberalists to go off to the races. We rejected that, and instead kept to the "closely related" which has governed them since 1956, and under which some members of the Federal Reserve felt restive. They are disappointed by the conference report, because we did not beef it up.

Mr. BROWN of Michigan. But the gentleman would agree, had he cared to so restrict the Federal Reserve, he could have by keeping to the language passed by this House in establishing these prohibitions in all these areas; is that not correct?

Mr. REUSS. I prefer very frankly the language which we did adopt, which is exactly the equivalent of the 1956 language. I never was a laundry-list maniac myself. I think we did the right thing in going back to the pure unadulterated language of "closely related" of 1956.

Mr. BROWN of Michigan. The gentleman would concur basically that what we have done is to eliminate the prohibitions in the laundry list and emasculate the bill?

Mr. MOORHEAD. Mr. Speaker, on March 24, 1969, President Nixon called for amendments to the Bank Holding Company Act of 1956 to eliminate the loophole enjoyed by one-bank holding companies and to give the Federal Reserve Board new powers to regulate the activity of bank holding companies. At that time, the President stated:

> Legislation in this area is important because there has been a disturbing trend in the past year toward erosion of the traditional separation of powers between the suppliers of money—banks—and the users of money—commerce and industry.
>
> Left unchecked, the trend toward the combining of banking and business could lead to the formation of a relatively small number of power centers dominating the American economy. This must not be permitted to happen; it would be bad for banking, bad for business, and bad for the borrowers and consumers.
>
> The strength of our economic system is rooted in diversity and free competition; the strength of our banking system depends largely upon its independence. Banking must not dominate commerce or be dominated by it.

The Committee on Banking and Currency, of which I am a member, conducted extensive hearings in the spring of 1969, on a variety of proposals to amend the Bank Holding Company Act. After these hearings and careful study, legislation was reported to the floor of the House by our committee. This legislation was substantially modified after almost 2 full days of debate by the House and sent to the Senate committee.

The Senate Committee on Banking and Currency conducted extensive hearings in the spring of 1970 and reported legisation to the floor of the Senate which was modified and sent to a House-Senate conference committee.

The conference committee has labored long and hard to reconcile the differences between the House and Senate versions of H.R. 6778. As a member of the committee having jurisdiction over this legislation, I believe that the conferees have reached agreement on a good, workable piece of legislation clearly designed to obtain the objectives set forth by President Nixon, thus assuring that the traditional distinction between banking and commerce is maintained. What President Nixon described as the "disturbing trend in the past year of erosion of the traditional separation of powers between the suppliers of money—banks—and the users of money—commerce and industry" has been reversed. The Federal Reserve Board is now charged with the important responsibility of assuring that it interprets the various positions of H.R. 6778 in a manner intended by the Congress as defined in the statement of the conferees concerning this important legislation.

Mr. CASEY. Mr. Speaker, I want to express my deep appreciation and personal thanks to my distinguished friends and colleagues, Representative WRIGHT PATMAN and Representative LEONOR K. SULLIVAN, and to commend the House and Senate conferees for their wisdom in retaining my amendment to the section authorizing a new commemorative silver dollar honoring President Eisenhower.

In doing so, they have assured the American people that we not only will honor a great soldier-statesman who became our President—but that we also will honor the greatest scientific achievement in the history of mankind, the landing of our Apollo XI on the lunar surface.

It is indeed fitting that our distinguished colleagues have assured us that this great American milestone in space exporation will be suitably commemorated. Millions of Americans, in fact, millions of people over the world who knew and loved President Eisenhower will seek these coins as mementoes of his great career as a general and as a President. And they will be forever reminded by the reverse of the coin that American know-how and ingenuity and perseverance saw that men from a freedom-loving nation were the first to step upon an alien world in outer space.

We, in America, who have become accustomed to our successes in the space field, fail to realize the tremendous impact our lunar landings have had upon the people of the world. It has won us their respect and admiration, and I consider it an achievement in which we can take great pride, and with modesty, can suitably commemorate in this fashion.

For those of my colleagues who may not recall the insignia of the Apollo XI, permit me to briefly describe it, for the reverse of the new silver dollar will be emblematic of this insignia. It shows an American bald eagle, bearing an olive branch in both claws, landing on the cratered surface of the moon, while over its right wing, earth rises in the distance.

In my judgment, the new silver dollar will be one of the most beautiful of our American coins, and will be eagerly sought after by collectors.

And to my distinguished friends and colleagues who have made this so, on behalf of myself and a great many people interested in our space achievements and in the field of numismatics, I extend our grateful thanks.

Mrs. SULLIVAN. Mr. Speaker, on a bill as complex as this one, with the stakes high up in the hundreds of millions and billions of dollars, and following a conference committee series of meetings of great controversy and grinding negotiations and many, many offers and counter offers in an attempt to reach agreement, the fact that we have an agreement, on language is remarkable. What disturbs me, however, is that in view of the wide differences which existed in the House and Senate bills and the bitter arguments we had over the concept of this legislation, everyone now seems to be satisfied with the result. Perhaps that is the essence of the legislative process of compromise in order to reach agreement. But it worries me a bit. If we have created any new loopholes by this language, I hope the Federal Reserve will be quick to come up and tell us so.

The House conferees—particularly the majority members—were insistent that the Federal Reserve be allowed to go back and review every one-bank holding company and make determinations with reasonable speed on the biggest ones first, and then on all the rest. And, in the meantime, the glaring loophole in the law is to be closed, so that no new one-bank holding companies can be formed except

in conformance with the guidelines set down in the bill, and existing one-bank holding companies cannot freely and without supervision go into new areas of activity.

We mean the new legislation to be enforced and administered narrowly to accomplish the purposes spelled out in the statement of managers on the part of the House.

THE COINAGE ISSUE

On the coinage issue, we had to make a major concession to certain economic interests in this country whose interest in honoring the late President Eisenhower seemed to be secondary to the speculative operations of the silver futures market. We received a major enough concession from the Senate conferees on one very important feature of the Senate version of the one-bank holding company bill to persuade the House conferees in turn to go along with the Senate on the use of some defense stockpile silver for the somewhat frivolous purpose of turning out 150 million commemorative coins. My hope is that the depletion of the silver stockpile will not turn out to be a major blunder—forcing the Government, for defense purposes, to go out later and buy silver at a much higher price for essential production purposes.

The House Banking and Currency Committee initiated the proposal in this legislation to honor President Eisenhower with a $1 coin—a circulating coin. The silver aspect was a Senate addition—a Senate requirement that we should not shake. The "coincidence" of the report by the Office of Emergency Preparedness that we could spare 25½ million ounces of silver out of stockpile, just at the time that exact amount of silver was found to be needed to turn out these 150 million souvenir coins, was, in my opinion, a political decision which raises serious questions in my mind about the integrity of our defense stockpile program. I can assure the House that as a Member of the Joint Committee on Defense Production, I will try my best to get to the bottom of this issue and see how carefully our taxpayer-owned strategic materials are being husbanded for future defense and essential civilian production purposes.

Minting silver coins from silver for defense purposes is hardly an essential use of that unique and very strategic national resource.

The SPEAKER pro tempore. All time has expired.

Mr. PATMAN. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken, and the Speaker announced that the ayes appeared to have it.

Mr. PATMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 366, nays 4, answered "present" 7, not voting 57, as follows:

[No. 416 Leg.]

YEAS—366

Abbitt	Devine	Kazen
Abernethy	Dickinson	Keith
Adair	Dingell	King
Adams	Donohue	Kleppe
Addabbo	Dorn	Kluczynski
Albert	Downing	Koch
Alexander	Dulski	Kuykendall
Anderson, Calif.	Duncan	Kyl
	Dwyer	Kyros
Anderson, Ill.	Eckhardt	Landrum
Andrews, Ala.	Edmondson	Latta
Andrews, N. Dak.	Edwards, Ala.	Leggett
	Edwards, Calif.	Lennon
Annunzio	Eilberg	Lloyd
Arends	Erlenborn	Long, Md.
Ashbrook	Esch	Lowenstein
Ashley	Eshleman	McCarthy
Ayres	Evans, Colo.	McClory
Baring	Evins, Tenn.	McCloskey
Barrett	Fallon	McClure
Beall, Md.	Fascell	McDade
Belcher	Feighan	McDonald, Mich.
Bell, Calif.	Findley	
Bennett	Fish	McEwen
Berry	Flood	McFall
Betts	Flowers	McMillan
Bevill	Foley	Macdonald, Mass.
Biaggi	Ford, Gerald R.	
Biester	Forsythe	Madden
Bingham	Fountain	Mahon
Blanton	Fraser	Mann
Blatnik	Frelinghuysen	Marsh
Boggs	Frey	Martin
Bow	Friedel	Mathias
Brademas	Fulton, Pa.	Matsunaga
Brasco	Fulton, Tenn.	Mayne
Bray	Fuqua	Meeds
Brinkley	Galifianakis	Melcher
Brock	Gallagher	Mikva
Brooks	Garmatz	Miller, Calif.
Broomfield	Gaydos	Miller, Ohio
Brotzman	Gettys	Mills
Brown, Calif.	Gibbons	Minish
Brown, Mich.	Goldwater	Mink
Brown, Ohio	Gonzalez	Minshall
Broyhill, N.C.	Goodling	Mizell
Broyhill, Va.	Gray	Mollohan
Buchanan	Green, Oreg.	Monagan
Burke, Mass.	Green, Pa.	Montgomery
Burleson, Tex.	Griffin	Moorhead
Burlison, Mo.	Griffiths	Morgan
Burton, Calif.	Gross	Morse
Bush	Grover	Mosher
Byrne, Pa.	Gubser	Murphy, Ill.
Byrnes, Wis.	Gude	Murphy, N.Y.
Cabell	Hagan	Natcher
Caffery	Haley	Nedzi
Camp	Hall	Nelsen
Carney	Halpern	Nix
Carter	Hamilton	Obey
Casey	Hammer-schmidt	O'Hara
Cederberg		Olsen
Celler	Hanley	O'Neal, Ga.
Chamberlain	Hanna	O'Neill, Mass.
Chappell	Hansen, Idaho	Passman
Chisholm	Hansen, Wash.	Patman
Clancy	Harrington	Patten
Clark	Harsha	Pepper
Clawson, Del	Harvey	Perkins
Clay	Hastings	Pettis
Cleveland	Hathaway	Philbin
Cohelan	Hawkins	Pickle
Collier	Hays	Pike
Collins, Ill.	Hébert	Pirnie
Collins, Tex.	Hechler, W. Va.	Poage
Conable	Heckler, Mass.	Podell
Conte	Helstoski	Poff
Conyers	Henderson	Preyer, N.C.
Corbett	Hogan	Price, Ill.
Corman	Holifield	Price, Tex.
Coughlin	Hosmer	Pryor, Ark.
Cowger	Howard	Pucinski
Crane	Hungate	Quie
Culver	Hunt	Randall
Daniel, Va.	Hutchinson	Rees
Daniels, N.J.	Ichord	Reid, Ill.
Davis, Ga.	Jacobs	Reid, N.Y.
Davis, Wis.	Jarman	Reuss
de la Garza	Johnson, Calif.	Rhodes
Delaney	Johnson, Pa.	Riegle
Dellenback	Jones, Ala.	Roberts
Denney	Jones, N.C.	Robison
Dennis	Jones, Tenn.	Rodino
Dent	Karth	Roe
Derwinski	Kastenmeier	Rogers, Colo.
Rogers, Fla.	Snyder	Vigorito
Rooney, N.Y.	Springer	Waggonner
Rooney, Pa.	Stafford	Waldie
Rosenthal	Staggers	Wampler
Rostenkowski	Stanton	Ware
Roth	Steed	Watson
Roudebush	Steele	Watts
Rousselot	Steiger, Ariz.	Weicker
Roybal	Steiger, Wis.	Whalen
Ruth	Stephens	Whalley
Ryan	Stokes	White
St Germain	Stratton	Whitten
Sandman	Stubblefield	Widnall
Satterfield	Stuckey	Wiggins
Saylor	Sullivan	Williams
Scherle	Symington	Wilson, Bob
Scheuer	Taft	Wilson, Charles H.
Schneebeli	Talcott	
Schwengel	Taylor	Wold
Scott	Teague, Calif.	Wyatt
Shipley	Teague, Tex.	Wydler
Shriver	Thompson, Ga.	Wylie
Sikes	Thompson, N.J.	Wyman
Sisk	Thomson, Wis.	Yates
Skubitz	Tiernan	Yatron
Slack	Udall	Young
Smith, Calif.	Ullman	Zablocki
Smith, Iowa	Van Deerlin	Zion
Smith, N.Y.	Vanik	Zwach

NAYS—4

Hicks	Rarick	Schmitz
Landgrebe		

ANSWERED "PRESENT"—7

Clausen, Don H.	Mailliard	Quillen
	Myers	Ruppe
Jonas	Pelly	

NOT VOTING—57

Anderson, Tenn.	Ford, William D.	Moss
		Nichols
Aspinall	Foreman	O'Konski
Blackburn	Giaimo	Ottinger
Boland	Gilbert	Pollock
Bolling	Horton	Powell
Burke, Fla.	Hull	Purcell
Burton, Utah	Kee	Railsback
Button	Langen	Reifel
Carey	Long, La.	Rivers
Colmer	Lujan	Schadeberg
Cramer	Lukens	Sebelius
Cunningham	McCulloch	Tunney
Daddario	McKneally	Vander Jagt
Diggs	MacGregor	Whitehurst
Dowdy	May	Winn
Edwards, La.	Meskill	Wolff
Farbstein	Michel	Wright
Fisher	Mize	
Flynt	Morton	

So the conference report was agreed to.

The Clerk announced the following pairs:

Mr. Long of Louisiana with Mr. Blackburn.
Mr. Edwards of Louisiana with Mr. McCulloch.
Mr. Rivers with Mr. Burke of Florida.
Mr. Giaimo with Mr. Railsback.
Mr. Purcell with Mr. Michel.
Mr. Wolff with Mr. Horton.
Mr. Hull with Mr. Sebelius.
Mr. Aspinall with Mr. Vander Jagt.
Mr. Anderson of Tennessee with Mr. Schadeberg.
Mr. Boland with Mr. Mize.
Mr. Carey with Mr. Lujan.
Mr. Nichols with Mr. Winn.
Mr. Moss with Mr. Don H. Clausen.
Mr. Wright with Mr. Reifel.
Mr. Fisher with Mr. O'Konski.
Mr. Colmer with Mr. Lukens.
Mr. Daddario with Mr. Meskill.
Mr. Kee with Mr. Diggs.
Mr. Dowdy with Mr. Whitehurst.
Mr. William D. Ford with Mr. Pollock.
Mr. Gilbert with Mr. McKneally.
Mr. Tunney with Mr. Cunningham.
Mr. Ottinger with Mrs. May.
Mr. Farbstein with Mr. Langen.
Mr. Button with Mr. Burton of Utah.
Mr. Morton with Mr. MacGregor.
Mr. Cramer with Mr. Foreman.

Mr. DENNEY changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the conference report just agreed to and include therewith pertinent extraneous matter.

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

There was no objection.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 17825, AMENDING OMNIBUS CRIME CONTROL AND SAFE STREETS ACT OF 1968

Mr. CELLER. Mr. Speaker, I ask unanimous consent that the managers on the part of the House have until midnight tonight to file a conference report on H.R. 17825, to amend the Omnibus Crime Control and Safe Streets Act of 1968, and for other purposes.

The SPEAKER pro tempore (Mr. HOLIFIELD). Is there objection to the request of the gentleman from New York?

There was no objection.

CONFERENCE REPORT ON S. 2193, OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970

Mr. PERKINS submitted the following conference report and statement on the bill (S. 2193), to authorize the Secretary of Labor to set standards to assure safe and healthful working conditions for working men and women; to assist and encourage States to participate in efforts to assure such working conditions; to provide for research, information, education, and training in the field of occupational safety and health, and for other purposes.

CONFERENCE REPORT (H. REPT. No. 91-1765)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2193) to authorize the Secretary of Labor to set standards to assure safe and healthful working conditions for working men and women; to assist and encourage States to participate in efforts to assure such working conditions; to provide for research, information, education, and training in the field of occupational safety and health, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

That this Act may be cited as the "Occupational Safety and Health Act of 1970".

CONGRESSIONAL FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that personal injuries and illnesses arising out of work situations impose a substantial burden upon, and are a hindrance to, interstate commerce in terms of lost production, wage loss, medical expenses, and disability compensation payments.

(b) The Congress declares it to be its purpose and policy, through the exercise of its powers to regulate commerce among the several States and with foreign nations and to provide for the general welfare, to assure so far as possible every working man and woman in the Nation safe and healthful working conditions and to preserve our human resources—

(1) by encouraging employers and employees in their efforts to reduce the number of occupational safety and health hazards at their places of employment, and to stimulate employers and employees to institute new and existing programs for providing safe and healthful working conditions;

(2) by providing that employers and employees have separate but dependent responsibilities and rights with respect to achieving safe and healthful working conditions;

(3) by authorizing the Secretary of Labor to set mandatory occupational safety and health standards applicable to businesses affecting interstate commerce; and by creating an Occupational Safety and Health Review Commission for carrying out adjudicatory functions under the Act;

(4) by building upon advances already made through employer and employee initiative for providing safe and healthful working conditions;

(5) by providing for research in the field of occupational safety and health, including the psychological factors involved, and by developing innovative methods, techniques, and approaches for declining with occupational safety and health problems;

(6) by exploring ways to discover latent diseases, establishing causal connections between diseases and work in environmental conditions, and conducting other research relating to health problems, in recognition of the fact that occupational health standards present problems often different from those involved in occupational safety;

(7) by providing medical criteria which will assure insofar as practicable that no employee will suffer diminished health, functional capacity, or life expectancy as a result of his work experience;

(8) by providing for training programs to increase the number and competence of personnel engaged in the field of occupational safety and health;

(9) by providing for the development and promulgation of occupational safety and health standards;

(10) by providing an effective enforcement program which shall include a prohibition against giving advance notice of any inspection and sanctions for any individual violating this prohibition;

(11) by encouraging the States to assume the fullest responsibility for the administration and enforcement of their occupational safety and health laws by providing grants to the States to assist in identifying their needs and responsibilities in the area of occupational safety and health, to develop plans in accordance with the provisions of this Act to improve the administration and enforcement of State occupational safety and health laws, and to conduct experimental and demonstration projects in connection therewith;

(12) by providing for appropriate reporting procedures with respect to occupational safety and health which procedures will help achieve the objectives of this Act and accurately describe the nature of the occupational safety and health problem;

(13) by encouraging joint labor-management efforts to reduce injuries and disease arising out of employment.

DEFINITIONS

SEC. 3. For the purposes of this Act—

(1) The term "Secretary" means the Secretary of Labor.

(2) The term "Commission" means the Occupational Safety and Health Review Commission established under this Act.

(3) The term "commerce" means trade, traffic, commerce transportation, or communication among the several States, or between a State and any place outside thereof, or within the District of Columbia, or a possession of the United States (other than the Trust Territory of the Pacific Islands), or between points in the same State but through a point outside thereof.

(4) The term "person" means one or more individuals, partnerships, associations, corporations, business trusts, legal representatives, or any organized group of persons.

(5) The term "employer" means a person engaged in a business affecting commerce who has employees, but does not include the United States or any State or political subdivision of a State.

(6) The term "employee" means an employee of an employer who is employed in a business of his employer which affects commerce.

(7) The term "State" includes a State of the United States, the District of Columbia, Puerto Rico, the Virgin Islands, American Samoa, Guam, and the Trust Territory of the Pacific Islands.

(8) The term "occupational safety and health standard" means a standard which requires conditions, or the adoption or use of one or more practices, means, methods, operations, or processes, reasonably necessary or appropriate to provide safe or healthful employment and places of employment.

(9) The term "national consensus standard" means any occupational safety and health standard or modification thereof which (1), has been adopted and promulgated by a nationally recognized standards-producing organization under procedures whereby it can be determined by the Secretary that persons interested and affected, by the scope or provisions of the standard have reached substantial agreement on its adoption, (2) was formulated in a manner which afforded an opportunity for diverse views to be considered and (3) has been designated as such a standard by the Secretary, after consultation with other appropriate Federal agencies.

(10) The term "established Federal standard" means any operative occupational safety and health standard established by any agency of the United States and presently in effect, or contained in any Act of Congress in force on the date of enactment of this Act.

(11) The term "Committee" means the National Advisory Committee on Occupational Safety and Health established under this Act.

(12) The term "Director" means the Director of the National Institute for Occupational Safety and Health.

(13) The term "Institute" means the National Institute for Occupational Safety and Health established under this Act.

(14) The term "Workmen's Compensation Commission" means the National Commission on State Workmen's Compensation Laws established under this Act.

APPLICABILITY OF THIS ACT

SEC. 4. (a) This Act shall apply with respect to employment performed in a workplace in a State, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, Guam, the Trust Territory of the Pacific Islands, Wake Island, Outer Continental Shelf lands defined in the Outer Continental Shelf Lands Act, Johnston Island, and the Canal Zone. The Secretary of the Interior shall, by regulation, provide for judicial enforcement of this Act by the courts established for areas in which there are no United States district courts having jurisdiction.

(b)(1) Nothing in this Act shall apply to working conditions of employees with respect to which other Federal agencies, and State agencies acting under section 274 of the Atomic Energy Act of 1954, as amended

(42 U.S.C. 2021), exercise statutory authority to prescribe or enforce standards or regulations affecting occupational safety or health.

(2) The safety and health standards promulgated under the Act of June 30, 1936, commonly known as the Walsh-Healey Act (41 U.S.C. 35 et seq.), the Service Contract Act of 1965 (41 U.S.C. 351 et seq.), Public Law 91–54, Act of August 9, 1969 (40 U.S.C. 333), Public Law 85–742, Act of August 23, 1958 (33 U.S.C. 941), and the National Foundation on Arts and Humanities Act (20 U.S.C. 951 et seq.) are superseded on the effective date of corresponding standards, promulgated under this Act, which are determined by the Secretary to be more effective. Standards issued under the laws listed in this paragraph and in effect on or after the effective date of this Act shall be deemed to be occupational safety and health standards issued under this Act, as well as under such other Acts.

(3) The Secretary shall, within three years after the effective date of this Act, report to the Congress his recommendations for legislation to avoid unnecessary duplication and to achieve coordination between this Act and other Federal laws.

(4) Nothing in this Act shall be construed to supersede or in any manner affect any workmen's compensation law or to enlarge or diminish or affect in any other manner the common law or statutory rights, duties, or liabilities of employers and employees under any law with respect to injuries, diseases, or death of employees arising out of, or in the course of, employment.

DUTIES

SEC. 5. (a) Each employer—

(1) shall furnish to each of his employees employment and a place of employment which are free from recognized hazards that are causing or are likely to cause death or serious physical harm to his employees;

(2) shall comply with occupational safety and health standards promulgated under this Act.

(b) Each employee shall comply with occupational safety and health standards and all rules, regulations, and orders issued pursuant to this Act which are applicable to his own actions and conduct.

OCCUPATIONAL SAFETY AND HEALTH STANDARDS

SEC. 6. (a) Without regard to chapter 5 of title 5, United States Code, or to the other subsections of this section, the Secretary shall, as soon as practicable during the period beginning with the effective date of this Act and ending two years after such date, by rule promulgate as an occupational safety or health standard any national consensus standard, and any established Federal standard, unless he determines that the promulgation of such a standard would not result in improved safety or health for specifically designated employees. In the event of conflict among any such standards, the Secretary shall promulgate the standard which assures the greatest protection of the safety or health of the affected employees.

(b) The Secretary may by rule promulgate, modify, or revoke any occupational safety or health standard in the following manner:

(1) Whenever the Secretary, upon the basis of information submitted to him in writing by an interested person, a representative of any organization of employers or employees, a nationally recognized standards-producing organization, the Secretary of Health, Education, and Welfare, the National Institute for Occupational Safety and Health, or a State or political subdivision, or on the basis of information developed by the Secretary or otherwise available to him, determines that a rule should be promulgated in order to serve the objectives of this Act, the Secretary may request the recommendations of an advisory committee appointed under section 7 of this Act. The Secretary shall provide such an advisory committee with any proposals of his own or of the Secretary of Health, Education, and Welfare, together with all pertinent factual information developed by the Secretary or the Secretary of Health, Education, and Welfare, or otherwise available, including the results of research, demonstrations, and experiments. An advisory committee shall submit to the Secretary its recommendations regarding the rule to be promulgated within ninety days from the date of its appointment or within such longer or shorter period as may be prescribed by the Secretary, but in no event for a period which is longer than two hundred and seventy days.

(2) The Secretary shall publish a proposed rule promulgating, modifying, or revoking an occupational safety or health standard in the Federal Register and shall afford interested persons a period of thirty days after publication to submit written data or comments. Where an advisory committee is appointed and the Secretary determines that a rule should be issued, he shall publish the proposed rule within sixty days after the submission of the advisory committee's recommendations or the expiration of the period prescribed by the Secretary for such submission.

(3) On or before the last day of the period provided for the submission of written data or comments under paragraph (2), any interested person may file with the Secretary written objections to the proposed rule, stating the grounds therefor and requesting a public hearing on such objections. Within thirty days after the last day for filing such objections, the Secretary shall publish in the Federal Register a notice specifying the occupational safety or health standard to which objections have been filed and a hearing requested, and specifying a time and place for such hearing.

(4) Within sixty days after the expiration of the period provided for the submission of written data or comments under paragraph (2), or within sixty days after the completion of any hearing held under paragraph (3), the Secretary shall issue a rule promulgating, modifying, or revoking an occupational safety or health standard or make a determination that a rule should not be issued. Such a rule may contain a provision delaying its effective date for such period (not in excess of ninety days) as the Secretary determines may be necessary to insure that affected employers and employees will be informed of the existence of the standard and of its terms and that employers affected are given an opportunity to familiarize themselves and their employees with the existence of the requirements of the standard.

(5) The Secretary, in promulgating standards dealing with toxic materials or harmful physical agents under this subsection, shall set the standard which most adequately assures, to the extent feasible, on the basis of the best available evidence, that no employee will suffer material impairment of health or functional capacity even if such employee has regular exposure to the hazard dealt with by such standard for the period of his working life. Development of standards under this subsection shall be based upon research, demonstrations, experiments, and such other information as may be appropriate. In addition to the attainment of the highest degree of health and safety protection for the employee, other considerations shall be the latest available scientific data in the field, the feasibility of the standards, and experience gained under this and other health and safety laws. Whenever practicable, the standard promulgated shall be expressed in terms of objective criteria and of the performance desired.

(6)(A) Any employer may apply to the Secretary for a temporary order granting a variance from a standard or any provision thereof promulgated under this section. Such temporary order shall be granted only if the employer files an application which meets the requirements of clause (B) and establishes that (i) he is unable to comply with a standard by its effective date because of unavailability of professional or technical personnel or of materials and equipment needed to come into compliance with the standard or because necessary construction or alteration of facilities cannot be completed by the effective date, (ii) he is taking all available steps to safeguard his employees against the hazards covered by the standard, and (iii) he has an effective program for coming into compliance with the standard as quickly as practicable. Any temporary order issued under this paragraph shall prescribe the practices, means, methods, operations, and processes which the employer must adopt and use while the order is in effect and state in detail his program for coming into compliance with the standard. Such a temporary order may be granted only after notice to employees and an opportunity for a hearing: Provided, That the Secretary may issue one interim order to be effective until a decision is made on the basis of the hearing. No temporary order may be in effect for longer than the period needed by the employer to achieve compliance with the standard or one year, whichever is shorter, except that such an order may be renewed not more than twice (I) so long as the requirements of this paragraph are met and (II) if an application for renewal is filed at least 90 days prior to the expiration date of the order. No interim renewal of an order may remain in effect for longer than 180 days.

(B) An application for a temporary order under this paragraph (6) shall contain:

(i) a specification of the standard or portion thereof from which the employer seeks a variance,

(ii) a representation by the employer, supported by representations from qualified persons having firsthand knowledge of the facts represented, that he is unable to comply with the standard or portion thereof and a detailed statement of the reasons therefor,

(iii) a statement of the steps he has taken and will take (with specific dates) to protect employees against the hazard covered by the standard,

(iv) a statement of when he expects to be able to comply with the standard and what steps he has taken and what steps he will take (with dates specified) to come into compliance with the standard, and

(v) a certification that he has informed his employees of the application by giving a copy thereof to their authorized representative, posting a statement giving a summary of the application and specifying where a copy may be examined at the place or places where notices to employees are normally posted, and by other appropriate means. A description of how employees have been informed shall be contained in the certification. The information to employees shall also inform them of their right to petition the Secretary for a hearing.

(C) The Secretary is authorized to grant a variance from any standard or portion thereof whenever he determines, or the Secretary of Health, Education, and Welfare certifies, that such variance is necessary to permit an employer to participate in an experiment approved by him or the Secretary of Health, Education, and Welfare designed to demonstrate or validate new and improved techniques to safeguard the health or safety of workers.

(7) Any standard promulgated under this subsection shall prescribe the use of labels or other appropriate forms of warning as are necessary to insure that employees are apprised of all hazards to which they are exposed, relevant symptoms and appropriate emergency treatment, and proper conditions

and precautions of safe use or exposure. Where appropriate, such standard shall also prescribe suitable protective equipment and control or technological procedures to be used in connection with such hazards and shall provide for monitoring or measuring employee exposure at such locations and intervals, and in such manner as may be necessary for the protection of employees. In addition, where appropriate, any such standard shall prescribe the type and frequency of medical examinations or other tests which shall be made available, by the employer or at his cost, to employees exposed to such hazards in order to most effectively determine whether the health of such employees is adversely affected by such exposure. In the event such medical examinations are in the nature of research, as determined by the Secretary of Health, Education, and Welfare, such examinations may be furnished at the expense of the Secretary of Health, Education, and Welfare. The results of such examinations or tests shall be furnished only to the Secretary or the Secretary of Health, Education, and Welfare, and, at the request of the employee, to his physician. The Secretary, in consultation with the Secretary of Health, Education, and Welfare, may by rule promulgated pursuant to section 553 of title 5, United States Code, make appropriate modifications in the foregoing requirements relating to the use of labels or other forms of warning, monitoring or measuring, and medical examinations, as may be warranted by experience, information, or medical or technological developments acquired subsequent to the promulgation of the relevant standard.

(8) Whenever a rule promulgated by the Secretary differs substantially from an existing national consensus standard, the Secretary shall, at the same time, publish in the Federal Register a statement of the reasons why the rule as adopted will better effectuate the purposes of this Act than the national consensus standard.

(c)(1) The Secretary shall provide, without regard to the requirements of chapter 5, title 5, United States Code, for an emergency temporary standard to take immediate effect upon publication in the Federal Register if he determines (A) that employees are exposed to grave danger from exposure to substances or agents determined to be toxic or physically harmful or from new hazards, and (B) that such emergency standard is necessary to protect employees from such danger.

(2) Such standard shall be effective until superseded by a standard promulgated in accordance with the procedures prescribed in paragraph (3) of this subsection.

(3) Upon publication of such standard in the Federal Register the Secretary shall commence a proceeding in accordance with section 6(b) of this Act, and the standard as published shall also serve as a proposed rule for the proceeding. The Secretary shall promulgate a standard under this paragraph no later than six months after publication of the emergency standard as provided in paragraph (2) of this subsection.

(d) Any affected employer may apply to the Secretary for a rule or order for a variance from a standard promulgated under this section. Affected employees shall be given notice of each such application and an opportunity to participate in a hearing. The Secretary shall issue such rule or order if he determines on the record, after opportunity for an inspection where appropriate and a hearing, that the proponent of the variance has demonstrated by a preponderance of the evidence that the conditions, practices, means, methods, operations, or processes used or proposed to be used by an employer will provide employment and places of employment to his employees which are as safe and healthful as those which would prevail if he complied with the standard. The rule or order so issued shall prescribe the conditions the employer must maintain, and the practices, means, methods, operations, and processes which he must adopt and utilize to the extent they differ from the standard in question. Such a rule or order may be modified or revoked upon application by an employer, employees, or by the Secretary on his own motion, in the manner prescribed for its issuance under this subsection at any time after six months from its issuance.

(e) Whenever the Secretary promulgates any standard, makes any rule, order, or decision, grants any exemption or extension of time, or compromises, mitigates, or settles any penalty assessed under this Act, he shall include a statement of the reasons for such action, which shall be published in the Federal Register.

(f) Any person who may be adversely affected by a standard issued under this section may at any time prior to the sixtieth day after such standard is promulgated file a petition challenging the validity of such standard with the United States court of appeals for the circuit wherein such person resides or has his principal place of business, for a judicial review of such standard. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary. The filing of such petition shall not, unless otherwise ordered by the court, operate as a stay of the standard. The determinations of the Secretary shall be conclusive if supported by substantial evidence in the record considered as a whole.

(g) In determining the priority for establishing standards under this section, the Secretary shall give due regard to the urgency of the need for mandatory safety and health standards for particular industries, trades, crafts, occupations, businesses, workplaces, or work environments. The Secretary shall also give due regard to the recommendations of the Secretary of Health, Education, and Welfare regarding the need for mandatory standards in determining the priority for establishing such standards.

ADVISORY COMMITTEES; ADMINISTRATION

SEC. 7. (a)(1) There is hereby established a National Advisory Committee on Occupational Safety and Health consisting of twelve members appointed by the Secretary, four of whom are to be designated by the Secretary of Health, Education, and Welfare, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and composed of representatives of management, labor, occupational safety and occupational health professions, and of the public. The Secretary shall designate one of the public members as Chairman. The members shall be selected upon the basis of their experience and competence in the field of occupational safety and health.

(2) The Committee shall advise, consult with, and make recommendations to the Secretary and the Secretary of Health, Education, and Welfare on matters relating to the administration of the Act. The Committee shall hold no fewer than two meetings during each calendar year. All meetings of the Committee shall be open to the public and a transcript shall be kept and made available for public inspection.

(3) The members of the Committee shall be compensated in accordance with the provisions of section 3109 of title 5, United States Code.

(4) The Secretary shall furnish to the Committee an executive secretary and such secretarial, clerical, and other services as are deemed necessary to the conduct of its business.

(b) An advisory committee may be appointed by the Secretary to assist him in his standard-setting functions under section 6 of this Act. Each such committee shall consist of not more than fifteen members and shall include as a member one or more designees of the Secretary of Health, Education, and Welfare, and shall include among its members an equal number of persons qualified by experience and affiliation to present the viewpoint of the employers involved, and of persons similarly qualified to present the viewpoint of the workers involved, as well as one or more representatives of health and safety agencies of the States. An advisory committee may also include such other persons as the Secretary may appoint who are qualified by knowledge and experience to make a useful contribution to the work of such committee, including one or more representatives of professional organizations of technicians or professionals specializing in occupational safety or health, and one or more representatives of nationally recognized standards-producing organizations, but the number of persons so appointed to any such advisory committee shall not exceed the number appointed to such committee as representatives of Federal and State agencies. Persons appointed to advisory committees from private life shall be compensated in the same manner as consultants or experts under section 3109 of title 5, United States Code. The Secretary shall pay to any State which is the employer of a member of such a committee who is a representative of the health or safety agency of that State, reimbursement sufficient to cover the actual cost to the State resulting from such representative's membership on such committee. Any meeting of such committee shall be open to the public and an accurate record shall be kept and made available to the public. No member of such committee (other than representatives of employers and employees) shall have an economic interest in any proposed rule.

(c) In carrying out his responsibilities under this Act, the Secretary is authorized to—

(1) use, with the consent of any Federal agency, the services, facilities, and personnel of such agency, with or without reimbursement, and with the consent of any State or political subdivision thereof, accept and use the services, facilities, and personnel of any agency of such State or subdivision with reimbursement; and

(2) employ experts and consultants or organizations thereof as authorized by section 3109 of title 5, United States Code, except that contracts for such employment may be renewed annually; compensate individuals so employed at rates not in excess of the rate specified at the time of service for grade GS–18 under section 5332 of title 5, United States Code, including traveltime, and allow them while away from their homes or regular places of business, travel expenses (including per diem in lieu of subsistence) as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently, while so employed.

INSPECTIONS, INVESTIGATIONS, AND RECORDKEEPING

SEC. 8. (a) In order to carry out the purposes of this Act, the Secretary, upon presenting appropriate credentials to the owner, operator, or agent in charge, is authorized—

(1) to enter without delay and at reasonable times any factory, plant, establishment, construction site, or other area, workplace or environment where work is performed by an employee of an employer; and

(2) to inspect and investigate during regular working hours and at other reasonable times, and within reasonable limits and in a reasonable manner, any such place of employment and all pertinent conditions, structures, machines, apparatus, devices, equipment, and materials therein, and to question privately any such employer, owner, operator, agent or employee.

(b) In making his inspections and in-

vestigations under this Act the Secretary may require the attendance and testimony of witnesses and the production of evidence under oath. Witnesses shall be paid the same fees and mileage that are paid witnesses in the courts of the United States. In case of contumacy, failure, or refusal of any person to obey such an order, any district court of the United States or the United States courts of any territory or possession, within the jurisdiction of which such person is found, or resides or transacts business, upon the application by the Secretary, shall have jurisdiction to issue to such person an order requiring such person to appear to produce evidence if, as, and when so ordered, and to give testimony relating to the matter under investigation or in question, and any failure to obey such order of the court may be punished by said court as a contempt thereof.

(c)(1) Each employer shall make, keep and preserve, and make available to the Secretary or the Secretary of Health, Education, and Welfare, such records regarding his activities relating to this Act as the Secretary, in cooperation with the Secretary of Health, Education, and Welfare, may prescribe by regulation as necessary or appropriate for the enforcement of this Act or for developing information regarding the causes and prevention of occupational accidents and illnesses. In order to carry out the provisions of this paragraph such regulations may include provisions requiring employers to conduct periodic inspections. The Secretary shall also issue regulations requiring that employers, through posting of notices or other appropriate means, keep their employees informed of their protections and obligations under this Act, including the provisions of applicable standards.

(2) The Secretary, in cooperation with the Secretary of Health, Education, and Welfare, shall prescribe regulations requiring employers to maintain accurate records of, and to make periodic reports on, work-related deaths, injuries and illnesses other than minor injuries requiring only first aid treatment and which do not involve medical treatment, loss of consciousness, restriction of work or motion, or transfer to another job.

(3) The Secretary, in cooperation with the Secretary of Health, Education, and Welfare, shall issue regulations requiring employers to maintain accurate records of employee exposures to potentially toxic materials or harmful physical agents which are required to be monitored or measured under section 6. Such regulations shall provide employees or their representatives with an opportunity to observe such monitoring or measuring, and to have access to the records thereof. Such regulations shall also make appropriate provision for each employee or former employee to have access to such records as will indicate his own exposure to toxic materials or harmful physical agents. Each employer shall promptly notify any employee who has been or is being exposed to toxic materials or harmful physical agents in concentrations or at levels which exceed those prescribed by an applicable occupational safety and health standard promulgated under section 6, and shall inform any employee who is being thus exposed of the corrective action being taken.

(d) Any information obtained by the Secretary, the Secretary of Health, Education, and Welfare, or a State agency under this Act shall be obtained with a minimum burden upon employers, especially those operating small businesses. Unnecessary duplication of efforts in obtaining information shall be reduced to the maximum extent feasible.

(e) Subject to regulations issued by the Secretary, a representative of the employer and a representative authorized by his employees shall be given an opportunity to accompany the Secretary or his authorized representative during the physical inspection of any workplace under subsection (a) for the purpose of aiding such inspection. Where there is no authorized employee representative, the Secretary or his authorized representative shall consult with a reasonable number of employees concerning matters of health and safety in the workplace.

(f)(1) Any employees or representative of employees who believe that a violation of a safety or health standard exists that threatens physical harm, or that an imminent danger exists, may request an inspection by giving notice to the Secretary or his authorized representative of such violation or danger. Any such notice shall be reduced to writing, shall set forth with reasonable particularity the grounds for the notice, and shall be signed by the employees or representative of employees, and a copy shall be provided the employer or his agent no later than at the time of inspection, except that, upon the request of the person giving such notice, his name and the names of individual employees referred to therein shall not appear in such copy or on any record published, released, or made available pursuant to subsection (g) of this section. If upon receipt of such notification the Secretary determines there are reasonable grounds to believe that such violation or danger exists, he shall make a special inspection in accordance with the provisions of this section as soon as practicable, to determine if such violation or danger exists. If the Secretary determines there are no reasonable grounds to believe that a violation or danger exists he shall notify the employees or representative of the employees in writing of such determination.

(2) Prior to or during any inspection of a workplace, any employees or representative of employees employed in such workplace may notify the Secretary or any representative of the Secretary responsible for conducting the inspection, in writing, of any violation of this Act which they have reason to believe exists in such workplace. The Secretary shall, by regulation, establish procedures for informal review of any refusal by a representative of the Secretary to issue a citation with respect to any such alleged violation and shall furnish the employees or representative of employees requesting such review a written statement of the reasons for the Secretary's final disposition of the case.

(g)(1) The Secretary and Secretary of Health, Education, and Welfare are authorized to compile, analyze, and publish, either in summary or detailed form, all reports or information obtained under this section.

(2) The Secretary and the Secretary of Health, Education, and Welfare shall each prescribe such rules and regulations as he may deem necessary to carry out their responsibilities under this Act, including rules and regulations dealing with the inspection of an employer's establishment.

CITATIONS

SEC. 9. (a) If, upon inspection or investigation, the Secretary or his authorized representative believes that an employer has violated a requirement of section 5 of this Act, of any standard rule or order promulgated pursuant to section 6 of this Act, or of any regulations prescribed pursuant to this Act, he shall with reasonable promptness issue a citation to the employer. Each citation shall be in writing and shall describe with particularity the nature of the violation, including a reference to the provision of the Act, standard, rule, regulation, or order alleged to have been violated. In addition, the citation shall fix a reasonable time for the abatement of the violation. The Secretary may prescribe procedures for the issuance of a notice in lieu of a citation with respect to de minimis violations which have no direct or immediate relationship to safety or health.

(b) Each citation issued under this section, or a copy or copies thereof, shall be prominently posted, as prescribed in regulations issued by the Secretary, at or near each place a violation referred to in the citation occurred.

(c) No citation may be issued under this section after the expiration of six months following the occurrence of any violation.

PROCEDURE FOR ENFORCEMENT

SEC. 10. (a) If, after an inspection or investigation, the Secretary issues a citation under section 9(a), he shall, within a reasonable time after the termination of such inspection or investigation, notify the employer by certified mail of the penalty, if any, proposed to be assessed under section 17 and that the employer has fifteen working days within which to notify the Secretary that he wishes to contest the citation or proposed assessment of penalty. If within fifteen working days from the receipt of the notice issued by the Secretary the employer fails to notify the Secretary that he intends to contest the citation or proposed assessment of penalty, and no notice is filed by any employee or representative of employees under subsection (c) within such time, the citation and the assessment, as proposed, shall be deemed a final order of the Commission and not subject to review by any court or agency.

(b) If the Secretary has reason to believe that an employer has failed to correct a violation for which a citation has been issued within the period permitted for its correction (which period shall not begin to run until the entry of a final order by the Commission in the case of any review proceedings under this section initiated by the employer in good faith and not solely for delay or avoidance of penalties, the Secretary shall notify the employer by certified mail of such failure and of the penalty proposed to be assessed under section 17 by reason of such failure, and that the employer has fifteen working days within which to notify the Secretary that he wishes to contest the Secretary's notification or the proposed assessment of penalty. If, within fifteen working days from the receipt of notification issued by the Secretary, the employer fails to notify the Secretary that he intends to contest the notification or proposed assessment of penalty, the notification and assessment, as proposed, shall be deemed a final order of the Commission and not subject to review by any court or agency.

(c) If an employer notifies the Secretary that he intends to contest a citation issued under section 9(a) or notification issued under subsection (a) or (b) of this section, or if, within fifteen working days of the issuance of a citation under section 9(a), any employee or representative of employees files a notice with the Secretary alleging that the period of time fixed in the citation for the abatement of the violation is unreasonable, the Secretary shall immediately advise the Commission of such notification, and the Commission shall afford an opportunity for a hearing (in accordance with section 554 of title 5, United States Code, but without regard to subsection (a)(3) of such section). The Commission shall thereafter issue an order, based on findings of fact, affirming, modifying, or vacating the Secretary's citation or proposed penalty, or directing other appropriate relief, and such order shall become final thirty days after its issuance. Upon a showing by an employer of a good faith effort to comply with the abatement requirements of a citation, and that abatement has not been completed because of factors beyond his reasonable control, the Secretary, after an opportunity for a hearing as provided in this subsection, shall issue an order affirming or modifying the abatement requirements in such citation. The rules of procedure prescribed by the Commission shall provide affected employees or representatives of affected employees an opportunity to participate as parties to hearings under this subsection.

JUDICIAL REVIEW

SEC. 11. (a) Any person adversely affected or aggrieved by an order of the Commission issued under subsection (c) of section 10 may obtain a review of such order in any United States court of appeals for the circuit in which the violation is alleged to have occurred or where the employer has its principal office, or in the Court of Appeals for the District of Columbia Circuit, by filing in such court within sixty days following the issuance of such order a written petition praying that the order be modified or set aside. A copy of such petition shall be forthwith transmitted by the clerk of the court to the Commission and to the other parties, and thereupon the Commission shall file in the court the record in the proceeding as provided in section 2112 of title 28, United States Code. Upon such filing, the court shall have jurisdiction of the proceeding and of the question determined therein, and shall have power to grant such temporary relief or restraining order as it deems just and proper, and to make and enter upon the pleadings, testimony, and proceedings set forth in such record a decree affirming, modifying, or setting aside in whole or in part, the order of the Commission and enforcing the same to the extent that such order is affirmed or modified. The commencement of proceedings under this subsection shall not, unless ordered by the court, operate as a stay of the order of the Commission. No objection that has not been urged before the Commission shall be considered by the court, unless the failure or neglect to urge such objection shall be excused because of extraordinary circumstances. The findings of the Commission with respect to questions of fact, if supported by substantial evidence on the record considered as a whole, shall be conclusive. If any party shall apply to the court for leave to adduce additional evidence and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the hearing before the Commission, the court may order such additional evidence to be taken before the Commission and to be made a part of the record. The Commission may modify its findings as to the facts, or make new findings, by reason of additional evidence so taken and filed, and it shall file such modified or new findings, which findings with respect to questions of fact, if supported by substantial evidence on the record considered as a whole, shall be conclusive, and its recommendations, if any, for the modification or setting aside of its original order. Upon the filing of the record with it, the jurisdiction of the court shall be exclusive and its judgment and decree shall be final, except that the same shall be subject to review by the Supreme Court of the United States, as provided in section 1254 of title 28, United States Code. Petitions filed under this subsection shall be heard expeditiously.

(b) The Secretary may also obtain review or enforcement of any final order of the Commission by filing a petition for such relief in the United States court of appeals for the circuit in which the alleged violation occurred or in which the employer has its principal office, and the provisions of subsection (a) shall govern such proceedings to the extent applicable. If no petition for review, as provided in subsection (a), is filed within sixty days after service of the Commission's order, the Commission's findings of fact and order shall be conclusive in connection with any petition for enforcement which is filed by the Secretary after the expiration of such sixty-day period. In any such case, as well as in the case of a noncontested citation or notification by the Secretary which has become a final order of the Commission under subsection (a) or (b) of section 10, the clerk of the court, unless otherwise ordered by the court, shall forthwith enter a decree enforcing the order and shall transmit a copy of such decree to the Secretary and the employer named in the petition. In any contempt proceeding brought to enforce a decree of a court of appeals entered pursuant to this subsection or subsection (a), the court of appeals may assess the penalties provided in section 17, in addition to invoking any other available remedies.

(c)(1) No person shall discharge or in any manner discriminate against any employee because such employee has filed any complaint or instituted or caused to be instituted any proceeding under or related to this Act or has testified or is about to testify in any such proceeding or because of the exercise by such employee on behalf of himself or others of any right afforded by this Act.

(2) Any employee who believes that he has been discharged or otherwise discriminated against by any person in violation of this subsection may, within thirty days after such violation occurs, file a complaint with the Secretary alleging such discrimination. Upon receipt of such complaint, the Secretary shall cause such investigation to be made as he deems appropriate. If upon such investigation, the Secretary determines that the provisions of this subsection have been violated, he shall bring an action in any appropriate United States district court against such person. In any such action the United States district courts shall have jurisdiction, for cause shown to restrain violations of paragraph (1) of this subsection and order all appropriate relief including rehiring or reinstatement of the employee to his former position with back pay.

(3) Within 90 days of the receipt of a complaint filed under this subsection the Secretary shall notify the complainant of his determination under paragraph 2 of this subsection.

THE OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION

SEC. 12. (a) The Occupational Safety and Health Review Commission is hereby established. The Commission shall be composed of three members who shall be appointed by the President, by and with the advice and consent of the Senate, from among persons who by reason of training, education, or experience are qualified to carry out the functions of the Commission under this Act. The President shall designate one of the members of the Commission to serve as Chairman.

(b) The terms of members of the Commission shall be six years except that (1) the members of the Commission first taking office shall serve, as designated by the President at the time of appointment, one for a term of two years, one for a term of four years, and one for a term of six years, and (2) a vacancy caused by the death, resignation, or removal of a member prior to the expiration of the term for which he was appointed shall be filled only for the remainder of such unexpired term. A member of the Commission may be removed by the President for inefficiency, neglect of duty, or malfeasance in office.

(c)(1) Section 5314 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(57) Chairman, Occupational Safety and Health Review Commission."

(2) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(94) Members, Occupational Safety and Health Review Commission."

(d) The principal office of the Commission shall be in the District of Columbia. Whenever the Commission deems that the convenience of the public or of the parties may be promoted, or delay or expense may be minimized, it may hold hearings or conduct other proceedings at any other place.

(e) The Chairman shall be responsible on behalf of the Commission for the administrative operations of the Commission and shall appoint such hearing examiners and other employees as he deems necessary to assist in the performance of the Commission's functions and to fix their compensation in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification and General Schedule pay rates: *Provided*, That assignment, removal and compensation of hearing examiners shall be in accordance with sections 3105, 3344, 5362, and 7521 of title 5, United States Code.

(f) For the purpose of carrying out its functions under this Act, two members of the Commission shall constitute a quorum and official action can be taken only on the affirmative vote of at least two members.

(g) Every official act of the Commission shall be entered of record, and its hearings and records shall be open to the public. The Commission is authorized to make such rules as are necessary for the orderly transaction of its proceedings. Unless the Commission has adopted a different rule, its proceedings shall be in accordance with the Federal Rules of Civil Procedure.

(h) The Commission may order testimony to be taken by deposition in any proceedings pending before it at any state of such proceeding. Any person may be compelled to appear and depose, and to produce books, papers, or documents, in the same manner as witnesses may be compelled to appear and testify and produce like documentary evidence before the Commission. Witnesses whose depositions are taken under this subsection, and the persons taking such deposition, shall be entitled to the same fees as are paid for like services in the courts of the United States.

(i) For the purpose of any proceeding before the Commission, the provisions of section 11 of the National Labor Relations Act (29 U.S.C. 161) are hereby made applicable to the jurisdiction and powers of the Commission.

(j) A hearing examiner appointed by the Commission shall hear, and make a determination upon, any proceeding instituted before the Commission and any motion in connection therewith, assigned to such hearing examiner by the Chairman of the Commission, and shall make a report of any such determination which constitutes his final disposition of the proceedings. The report of the hearing examiner shall become the final order of the Commission within thirty days after such report by the hearing examiner, unless within such period any Commission member has directed that such report shall be reviewed by the Commission.

(k) Except as otherwise provided in this Act, the hearing examiners shall be subject to the laws governing employees in the classified civil service, except that appointments shall be made without regard to section 5108 of title 5, United States Code. Each hearing examiner shall receive compensation at a rate not less than that prescribed for GS–16 under section 5332 of title 5, United States Code.

PROCEDURES TO COUNTERACT IMMINENT DANGERS

SEC. 13. (a) The United States district courts shall have jurisdiction upon petition of the Secretary, to restrain any conditions or practices in any place of employment which are such that a danger exists which could reasonably be expected to cause death or serious physical harm immediately or before the imminence of such danger can be eliminated through the enforcement procedures otherwise provided by this Act. Any order issued under this section may require such steps to be taken as may be necessary to avoid, correct, or remove such

imminent danger and prohibit the employment or presence of any individual in locations or under conditions where such imminent danger exists, except individuals whose presence is necessary to avoid, correct, or remove such imminent danger or to maintain the capacity of a continuous process operation to resume normal operations without a complete cessation of operations, or where a cessation of operations is necessary, to permit such to be accomplished in a safe and orderly manner.

(b) Upon the filing of any such petition the district court shall have jurisdiction to grant such injunctive relief or temporary restraining order pending the outcome of an enforcement proceeding pursuant to this Act. The proceeding shall be as provided by Rule 65 of the Federal Rules, Civil Procedure, except that no temporary restraining order issued without notice shall be effective for a period longer than five days.

(c) Whenever and as soon as an inspector concludes that conditions or practices described in subsection (a) exist in any place of employment, he shall inform the affected employees and employers of the danger and that he is recommending to the Secretary that relief be sought.

(d) If the Secretary arbitrarily or capriciously fails to seek relief under this section, any employee who may be injured by reason of such failure, or the representative of such employees, might bring an action against the Secretary in the United States district court for the district in which the imminent danger is alleged to exist or the employer has its principal office, or for the District of Columbia, for a writ of mandamas to compel the Secretary to seek such an order and for such further relief as may be appropriate.

REPRESENTATION IN CIVIL LITIGATION

SEC. 14. Except as provided in section 518(a) of title 28, United States Code, relating to litigation before the Supreme Court, the Solicitor of Labor may appear for and represent the Secretary in any civil litigation brought under this Act but all such litigation shall be subject to the direction and control of the Attorney General.

CONFIDENTIALITY OF TRADE SECRETS

SEC. 15. All information reported to or otherwise obtained by the Secretary or his representative in connection with any inspection or proceeding under this Act which contains or which might reveal a trade secret referred to in section 1905 of title 18 of the United States Code shall be considered confidential for the purpose of that section, except that such information may be disclosed to other officers or employees concerned with carrying out this Act or when relevant in any proceeding under this Act. In any such proceeding the Secretary, the Commission, or the court shall issue such orders as may be appropriate to protect the confidentiality of trade secrets.

VARIATIONS, TOLERANCES, AND EXEMPTIONS

SEC. 16. The Secretary, on the record, after notice and opportunity for a hearing may provide such reasonable limitations and may make such rules and regulations allowing reasonable variations, tolerances, and exemptions to and from any or all provisions of this Act as he may find necessary and proper to avoid serious impairment of the national defense. Such action shall not be in effect for more than six months without notification to affected employees and an opportunity being afforded for a hearing.

PENALTIES

SEC. 17. (a) Any employer who willfully or repeatedly violates the requirements of section 5 of this Act, any standard, rule, or order promulgated pursuant to section 6 of this Act, or regulations prescribed pursuant to this Act, may be assessed a civil penalty of not more than $10,000 for each violation.

(b) Any employer who has received a citation for a serious violation of the requirements of section 5 of this Act, of any standard, rule, or order promulgated pursuant to section 6 of this Act, or of any regulations prescribed pursuant to this Act, shall be assessed a civic penalty of up to $1,000 for each such violation.

(c) Any employer who has received a citation for a violation of the requirements of section 5 of this Act, of any standard, rule promulgated pursuant to section 6 of this Act, or of regulations prescribed pursuant to this Act, and such violation is specifically determined not to be of a serious nature, may be assessed a civic penalty of up to $1,000 for each such violation.

(d) Any employer who fails to correct a violation for which a citation has been issued under section 9(a) within the period permitted for its correction (which period shall not begin to run until the date of the final order of the Commission in the case of any review proceeding under section 10 initiated by the employer in good faith and not solely for delay or avoidance of penalties), may be assessed a civil penalty of not more than $1,000 for each day during which such failure or violation continues.

(e) Any employer who willfully violates any standard, rule, or order promulgated pursuant to section 6 of this Act, or of any regulations prescribed pursuant to this Act and that violation caused death to any employee, shall, upon conviction, be punished by a fine of not more than $10,000 or by imprisonment for not more than six months, or by both except that if the conviction is for a violation committed after a first conviction of such person, punishment shall be by a fine of not more than $20,000 or by imprisonment for not more than one year, or by both.

(f) Any person who gives advance notice of any inspection to be conducted under this Act, without authority from the Secretary or his designees, shall, upon conviction, be punished by a fine of not more than $1,000 or by imprisonment for not more than six months, or by both.

(g) Whoever knowingly makes any false statement, representation, or certification in any application, record, report, plan, or other document filed or required to be maintained pursuant to this Act shall, upon conviction, be punished by a fine of not more than $10,000, or by imprisonment for not more than six months, or by both.

(h)(1) Section 1114 of title 18, United States Code, is hereby amended by striking out "designated by the Secretary of Health, Education, and Welfare to conduct investigations, or inspections under the Federal Food, Drug, and Cosmetic Act" and inserting in lieu thereof "or of the Department of Labor assigned to perform investigative, inspection, or law enforcement functions".

(2) Notwithstanding the provisions of sections 1111 and 1114 of title 18, United States Code, whoever, in violation of the provisions of section 1114 of such title, kills a person while engaged in or on account of the performance of investigative, inspection, or law enforcement functions added to such section 1114 by paragraph (1) of this subsection, and who would otherwise be subject to the penalty provisions of such section 1111, shall be punished by imprisonment for any term of years or for life.

(i) Any employer who violates any of the posting requirements, as prescribed under the provisions of this Act, shall be assessed a civil penalty of up to $1,000 for each violation.

(j) The Commission shall have authority to assess all civil penalties provided in this section, giving due consideration to the appropriateness of the penalty with respect to the size of the business of the employer being charged, the gravity of the violation, the good faith of the employer, and the history of previous violations.

(k) For purposes of this section, a serious violation shall be deemed to exist in a place of employment if there is a substantial probability that death or serious physical harm could result from a condition which exists, or from one or more practices, means, methods, operations, or processes which have been adopted or are in use, in such place of employment unless the employer did not, and could not with the exercise of reasonable diligence, know of the presence of the violation.

(l) Civil penalties owed under this Act shall be paid to the Secretary for deposit into the Treasury of the United States and shall accrue to the United States and may be recovered in a civil action in the name of the United States brought in the United States district court for the district where the violation is alleged to have occurred or where the employer has its principal office.

STATE JURISDICTION AND STATE PLANS

SEC. 18. (a) Nothing in this Act shall prevent any State agency or court from asserting jurisdiction under State law over any occupational safety or health issue with respect to which no standard is in effect under section 6.

(b) Any State which, at any time, desires to assume responsibility for development and enforcement therein of occupational safety and health standards relating to any occupational safety or health issue with respect to which a Federal standard has been promulgated under section 6 shall submit a State plan for the development of such standards and their enforcement.

(c) The Secretary shall approve the plan submitted by a State under subsection (b), or any modification thereof, if such plan in his judgment—

(1) designates a State agency or agencies as the agency or agencies responsible for administering the plan throughout the State,

(2) provides for the development and enforcement of safety and health standards relating to one or more safety or health issues, which standards (and the enforcement of which standards) are or will be at least as effective in providing safe and healthful employment and places of employment as the standards promulgated under section 6 which relate to the same issues, and which standards, when applicable to products which are distributed or used in interstate commerce, are required by compelling local conditions and do not unduly burden interstate commerce,

(3) provide for a right of entry and inspection of all workplaces subject to the Act which is at least as effective as that provided in section 8, and includes a prohibition on advance notice of inspections,

(4) contains satisfactory assurances that such agency or agencies have or will have the legal authority and qualified personnel necessary for the enforcement of such standards,

(5) gives satisfactory assurances that such State will devote adequate funds to the administration and enforcement of such standards.

(6) contains satisfactory assurances that such State will, to the extent permitted by its law, establish and maintain an effective and comprehensive occupational safety and health program applicable to all employees of public agencies of the State and its political subdivisions, which program is as effective as the standards contained in an approved plan,

(7) requires employers in the State to make reports to the Secretary in the same manner and to the same extent as if the plan were not in effect, and

(8) provides that the State agency will make such reports to the Secretary in such form and containing such information, as the Secretary shall from time to time require.

(d) If the Secretary rejects a plan submitted under subchapter (b), he shall afford the State submitting the plan due notice and opportunity for a hearing before so doing.

(e) After the Secretary approves a State plan submitted under subsection (b), he may, but shall not be required to, exercise his authority under sections 8, 9, 10, 13, and 17 with respect to comparable standards promulgated under section 6, for the period specified in the next sentence. The Secretary may exercise the authority referred to above until he determines, on the basis of actual operations under the State plan, that the criteria set forth in subsection (c) are being applied, but he shall not make such determination for at least three years after the plan's approval under subsection (c). Upon making the determination referred to in the preceding sentence, the provisions of sections 5(a)(2), 8 (except for the purpose of carrying out subsection (f) of this section), 9, 10, 13, and 17, and standards promulgated under section 6 of this Act, shall not apply with respect to any occupational safety or health issues covered under the plan, but the Secretary may retain jurisdiction under the above provisions in any proceeding commenced under section 9 or 10 before the date of determination.

(f) The Secretary shall, on the basis of reports submitted by the State agency and his own inspections make a continuing evaluation of the manner in which each State having a plan approved under this section is carrying out such plan. Whenever the Secretary finds, after affording due notice and opportunity for a hearing, that in the administration of the State plan there is a failure to comply substantially with any provision of the State plan (or any assurance contained therein), he shall notify the State agency of his withdrawal of approval of such plan and upon receipt of such notice such plan shall cease to be in effect, but the State may retain jurisdiction in any case commenced before the withdrawal of the plan in order to enforce standards under the plan whenever the issues involved do not relate to the reasons for the withdrawal of the plan.

(g) The State may obtain a review of a decision of the Secretary withdrawing approval of or rejecting its plan by the United States court of appeals for the circuit in which the State is located by filing in such court within thirty days following receipt of notice of such decision a petition to modify or set aside in whole or in part the action of the Secretary. A copy of such petition shall forthwith be served upon the Secretary, and thereupon the Secretary shall certify and file in the court the record upon which the decision complained of was issued as provided in section 2112 of title 28, United States Code. Unless the court finds that the Secretary's decision in rejecting a proposed State plan or withdrawing his approval of such a plan is not supported by substantial evidence the court shall affirm the Secretary's decision. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

(h) The Secretary may enter into an agreement with a State under which the State will be permitted to continue to enforce one or more occupational health and safety standards in effect in such State until final action is taken by the Secretary with respect to a plan submitted by a State under subsection (b) of this section, or two years from the date of enactment of this Act, whichever is earlier.

FEDERAL AGENCY SAFETY PROGRAMS AND RESPONSIBILITIES

SEC. 19. (a) It shall be the responsibility of the head of each Federal agency to establish and maintain an effective and comprehensive occupational safety and health program which is consistent with the standards promulgated under section 6. The head of each agency shall (after consultation with representatives of the employees thereof)—

(1) provide safe and healthful places and conditions of employment, consistent with the standards set under section 6;

(2) acquire, maintain, and require the use of safety equipment, personal protective equipment, and devices reasonably necessary to protect employees;

(3) keep adequate records of all occupational accidents and illnesses for proper evaluation and necessary corrective action;

(4) consult with the Secretary with regard to the adequacy as to form and content of records kept pursuant to subsection (a)(3) of this section; and

(5) make an annual report to the Secretary with respect to occupational accidents and injuries and the agency's program under this section. Such report shall include any report submitted under section 7902(e)(2) of title 5, United States Code.

(b) The Secretary shall report to the President a summary or digest of reports submitted to him under subsection (a)(5) of this section, together with his evaluations of and recommendations derived from such reports. The President shall transmit annually to the Senate and the House of Representatives a report of the activities of Federal agencies under this section.

(c) Section 7902(c)(1) of title 5, United States Code, is amended by inserting after "agencies" the following: "and of labor organizations representing employees".

(d) The Secretary shall have access to records and reports kept and filed by Federal agencies pursuant to subsections (a)(3) and (5) of this section unless those records and reports are specifically required by Executive order to be kept secret in the interest of the national defense or foreign policy, in which case the Secretary shall have access to such information as will not jeopardize national defense or foreign policy.

RESEARCH AND RELATED ACTIVITIES

SEC. 20. (a) (1) The Secretary of Health, Education, and Welfare, after consultation with the Secretary and with other appropriate Federal departments or agencies, shall conduct (directly or by grants or contracts) research, experiments, and demonstrations relating to occupational safety and health, including studies of psychological factors involved, and relating to innovative methods, techniques, and approaches for dealing with occupational safety and health problems.

(2) The Secretary of Health, Education, and Welfare shall from time to time consult with the Secretary in order to develop specific plans for such research, demonstrations, and experiments as are necessary to produce criteria, including criteria identifying toxic substances, enabling the Secretary to meet his responsibility for the formulation of safety and health standards under this Act; and the Secretary of Health, Education, and Welfare, on the basis of such research, demonstrations, and experiments and any other information available to him, shall develop and publish at least annually such criteria as will effectuate the purposes of this Act.

(3) The Secretary of Health, Education, and Welfare, on the basis of such research, demonstrations, and experiments, and any other information available to him, shall develop criteria dealing with toxic materials and harmful physical agents and substances which will describe exposure levels that are safe for various periods of employment, including but not limited to the exposure levels at which no employee will suffer impaired health or functional capacities or diminished life expectancy as a result of his work experience.

(4) The Secretary of Health, Education, and Welfare shall also conduct special research, experiments, and demonstrations relating to occupational safety and health as are necessary to explore new problems, including those created by new technology in occupational safety and health, which may require ameliorative action beyond that which is otherwise provided for in the operating provisions of this Act. The Secretary of Health, Education, and Welfare shall also conduct research into the motivational and behavioral factors relating to the field of occupational safety and health.

(5) The Secretary of Health, Education, and Welfare, in order to comply with his responsibilities under paragraph (2), and in order to develop needed information regarding potentially toxic substances or harmful physical agents, may prescribe regulations requiring employers to measure, record, and make reports on the exposure of employees to substances or physical agents which the Secretary of Health, Education, and Welfare reasonably believes may endanger the health or safety of employees. The Secretary of Health, Education, and Welfare also is authorized to establish such programs of medical examinations and tests as may be necessary for determining the incidence of occupational illnesses and the susceptibility of employees to such illnesses. Nothing in this or any other provisions of this Act shall be deemed to authorize or require medical examination, immunization, or treatment for those who object thereto on religious grounds, except where such is necessary for the protection of the health or safety of others. Upon the request of any employer who is required to measure and record exposure of employees to substances or physical agents as provided under this subsection, the Secretary of Health, Education, and Welfare shall furnish full financial or other assistance to such employer for the purpose of defraying any additional expense incurred by him in carrying out the measuring and recording as provided in this subsection.

(6) The Secretary of Health, Education, and Welfare shall publish within six months of enactment of this Act and thereafter as needed but at least annually a list of all known toxic substances by generic family or other useful grouping, and the concentrations at which such toxicity is known to occur. He shall determine following a written request by any employer or authorized representative of employees, specifying with reasonable particularity the grounds on which the request is made, whether any substance normally found in the place of employment has potentially toxic effects in such concentrations as used or found; and shall submit such determination both to employers and affected employees as soon as possible. If the Secretary of Health, Education, and Welfare determines that any substance is potentially toxic at the concentrations in which it is used or found in a place of employment, and such substance is not covered by an occupational safety or health standard promulgated under section 6, the Secretary of Health, Education, and Welfare shall immediately submit such determination to the Secretary, together with all pertinent criteria.

(7) Within two years of enactment of this Act, and annually thereafter, the Secretary of Health, Education, and Welfare shall conduct and publish industrywide studies of the effect of chronic or low-level exposure to industrial materials, processes, and stresses on the potential for illness, disease, or loss of functional capacity in aging adults.

(b) The Secretary of Health, Education, and Welfare is authorized to make inspections and question employers and employees as provided in section 8 of this Act in order to carry out his functions and responsibilities under this section.

(c) The Secretary is authorized to enter into contracts, agreements, or other arrangements with appropriate public agencies or private organizations for the purpose of conducting studies relating to his responsibilities under this Act. In carrying out his re-

sponsibilities under this subsection, the Secretary shall cooperate with the Secretary of Health, Education, and Welfare in order to avoid any duplication of efforts under this section.

(d) Information obtained by the Secretary and the Secretary of Health, Education, and Welfare under this section shall be disseminated by the Secretary to employers and employees and organizations thereof.

(e) The functions of the Secretary of Health, Education, and Welfare under this Act shall, to the extent feasible, be delegated to the Director of the National Institute for Occupational Safety and Health established by section 22 of this Act.

TRAINING AND EMPLOYEE EDUCATION

SEC. 21. (a) The Secretary of Health, Education, and Welfare, after consultation with the Secretary and with other appropriate Federal departments and agencies, shall conduct, directly or by grants or contracts (1) education programs to provide an adequate supply of qualified personnel to carry out the purposes of this Act, and (2) informational programs on the importance of and proper use of adequate safety and health equipment.

(b) The Secretary is also authorized to conduct, directly or by grants or contracts, short-term training of personnel engaged in work related to his responsibilities under this Act.

(c) The Secretary, in consultation with the Secretary of Health, Education, and Welfare, shall (1) provide for the establishment and supervision of programs for the education and training of employers and employees in the recognition, avoidance, and prevention of unsafe or unhealthful working conditions in employments covered by this Act, and (2) consult with and advise employers and employees, and organizations representing employers and employees as to effective means of preventing occupational injuries and illnesses.

NATIONAL INSTITUTE FOR OCCUPATIONAL SAFETY AND HEALTH

SEC. 22. (a) It is the purpose of this section to establish a National Institute for Occupational Safety and Health in the Department of Health, Education, and Welfare in order to carry out the policy set forth in section 2 of this Act and to perform the functions of the Secretary of Health, Education, and Welfare under sections 20 and 21 of this Act.

(b) There is hereby established in the Department of Health, Education, and Welfare a National Institute for Occupational Safety and Health. The Institute shall be headed by a Director who shall be appointed by the Secretary of Health, Education, and Welfare, and who shall serve for a term of six years unless previously removed by the Secretary of Health, Education, and Welfare.

(c) The Institute is authorized to—

(1) develop and establish recommended occupational safety and health standards; and

(2) perform all functions of the Secretary of Health, Education, and Welfare under sections 20 and 21 of this Act.

(d) Upon his own initiative, or upon the request of the Secretary or the Secretary of Health, Education, and Welfare, the Director is authorized (1) to conduct such research and experimental programs as he determines are necessary for the development of criteria for new and improved occupational safety and health standards, and (2) after consideration of the results of such research and experimental programs make recommendations concerning new or improved occupational safety and health standards. Any occupational safety and health standard recommended pursuant to this section shall immediately be forwarded to the Secretary of Labor, and to the Secretary of Health, Education, and Welfare.

(e) In addition to any authority vested in the Institution by other provisions of this section, the Director, in carrying out the functions of the Institute, is authorized to—

(1) prescribe such regulations as deems necessary governing the manner in which its functions shall be carried out;

(2) receive money and other property donated, bequeathed, or devised, without condition or restriction other than that it be used for the purposes of the Institute and to use, sell, or otherwise dispose of such property for the purpose of carrying out its functions;

(3) receive (and use, sell, or otherwise dispose of, in accordance with paragraph (2)), money and other property donated, bequeathed, or devised to the Institute with a condition or restriction, including a condition that the Institute use other funds of the Institute for the purposes of the gift;

(4) in accordance with the civil service laws, appoint and fix the compensation of such personnel as may be necessary to carry out the provisions of this section;

(5) obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code;

(6) accept and utilize the services of voluntary and noncompensated personnel and reimburse them for travel expenses, including per diem, as authorized by section 5703 of title 5, United States Code;

(7) enter into contracts, grants or other arrangements, or modifications thereof to carry out the provisions of this section, and such contracts or modifications thereof may be entered into without performance or other bonds, and without regard to section 3709 of the Revised Statutes, as amended (41 U.S.C. 5), or any other provisions of law relating to competitive bidding;

(8) make advance, progress, and other payments which the Director deems necessary under this title without regard to the provisions of section 3648 of the Revised Statutes, as amended (31 U.S.C. 529); and

(9) make other necessary expenditures.

(f) The Director shall submit to the Secretary of Health, Education, and Welfare, to the President, and to the Congress an annual report of the operations of the Institute under this Act, which shall include a detailed statement of all private and public funds received and expended by it, and such recommendations as he deems appropriate.

GRANTS TO THE STATES

SEC. 23. (a) The Secretary is authorized, during the fiscal year ending June 30, 1971, and the two succeeding fiscal years, to make grants to the States which have designated a State agency under section 18 to assist them—

(1) in identifying their needs and responsibilities in the area of occupational safety and health,

(2) in developing State plans under section 18, or

(3) in developing plans for—

(A) establishing systems for the collection of information concerning the nature and frequency of occupational injuries and diseases;

(B) increasing the expertise and enforcement capabilites of their personnel engaged in occupational safety and health programs; or

(C) otherwise improving the administration and enforcement of State occupational safety and health laws, including standards thereunder, consistent with the objectives of this Act.

(b) The Secretary is authorized, during the fiscal year ending June 30, 1971, and the two succeeding fiscal years, to make grants to the States for experimental and demonstration projects consistent with the objectives set forth in subsection (a) of this section.

(c) The Governor of the State shall designate the appropriate State agency for receipt of any grant made by the Secretary under this section.

(d) Any State agency designated by the Governor of the State desiring a grant under this section shall submit an application therefor to the Secretary.

(e) The Secretary shall review the application, and shall, after consultation with the Secretary of Health, Education, and Welfare, approve or reject such application.

(f) The Federal share for each State grant under subsection (a) or (b) of this section may not exceed 90 per centum of the total cost of the application. In the event the Federal share for all States under either such subsection is not the same, the differences among the States shall be established on the basis of objective criteria.

(g) The Secretary is authorized to make grants to the States to assist them in administering and enforcing programs for occupational safety and health contained in State plans approved by the Secretary, pursuant to section 18 of this Act. The Federal share for each State grant under this subsection may not exceed 50 per centum of the total cost to the State of such a program. The last sentence of subsection (f) shall be applicable in determining the Federal share under this subsection.

(h) Prior to June 30, 1973, the Secretary shall, after consultation with the Secretary of Health, Education, and Welfare, transmit a report to the President and to the Congress, describing the experience under the grant program authorized by this section and making any recommendations he may deem appropriate.

STATISTICS

SEC. 24. (a) In order to further the purposes of this Act, the Secretary, in consultation with the Secretary of Health, Education, and Welfare, shall develop and maintain an effective program of collection, compilation, and analysis of occupational safety and health statistics. Such program may cover all employments whether or not subject to any other provisions of this Act but shall not cover employments excluded by section 4 of the Act. The Secretary shall compile accurate statistics on work injuries and illnesses which shall include all disabling, serious, or significant injuries and illnesses, whether or not involving loss of time from work, other than minor injuries requiring only first aid treatment and which do not involve medical treatment, loss of consciousness, restriction of work or motion, or transfer to another job.

(b) To carry out his duties under subsection (a) of this section, the Secretary may—

(1) promote, encourage, or directly engage in programs of studies, information and communication concerning occupational safety and health statistics;

(2) make grants to States or political subdivisions thereof in order to assist them in developing and administering programs dealing with occupational safety and health statistics; and

(3) arrange, through grants or contracts, for the conduct of such research and investigations as give promise of furthering the objectives of this section.

(c) The Federal share for each grant under subsection (b) of this section may be up to 50 per centum of the State's total cost.

(d) The Secretary may, with the consent of any State or political subdivision thereof, accept and use the services, facilities, and employees of the agencies of such State or political subdivision, with or without reimbursement, in order to assist him in carrying out his functions under this section.

(e) On the basis of the records made and kept pursuant to section 8(c) of this Act, employers shall file such reports with the

Secretary as he shall prescribe by regulation, as necessary to carry out his functions under this Act.

(f) Agreements between the Department of Labor and States pertaining to the collection of occupational safety and health statistics already in effect on the effective date of this Act shall remain in effect until superseded by grants or contracts made under this Act.

AUDITS

SEC. 25. (a) Each recipient of a grant under this Act shall keep such records as the Secretary or the Secretary of Health, Education, and Welfare shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such grant, the total cost of the project or undertaking in connection with which such grant is made or used, and the amount of that portion of the cost of the project or undertaking supplied by other sources and such other records as will facilitate an effective audit.

(b) The Secretary or the Secretary of Health, Education, and Welfare, and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipients of any grant under this Act that are pertinent to any such grant.

ANNUAL REPORT

SEC. 26. Within one hundred and twenty days following the convening of each regular session of each Congress, the Secretary and the Secretary of Health, Education, and Welfare shall each prepare and submit to the President for transmittal to the Congress a report upon the subject matter of this Act, the progress toward achievement of the purpose of this Act, the needs and requirements in the field of occupational safety and health, and any other relevant information. Such reports shall include information regarding occupational safety and health standards, and criteria for such standards, developed during the preceding year; evaluation of standards and criteria previously developed under this Act, defining areas of emphasis for new criteria and standards; an evaluation of the degree of observance of applicable occupational safety and health standards, and a summary of inspection and enforcement activity undertaken; analysis and evaluation of research activities for which results have been obtained under governmental and nongovernmental sponsorship; an analysis of major occupational diseases; evaluation of available control and measurement technology for hazards for which standards or criteria have been developed during the preceding year; description of cooperative efforts undertaken between Government agencies and other interested parties in the implementation of this Act during the preceding year; a progress report on the development of an adequate supply of trained manpower in the field of occupational safety and health, including estimates of future needs and the efforts being made by Government and others to meet those needs; listing of all toxic substances in industrial usage for which labeling requirements, criteria, or standards have not yet been established; and such recommendations for additional legislation as are deemed necessary to protect the safety and health of the worker and improve the administration of this Act.

NATIONAL COMMISSION ON STATE WORKMEN'S COMPENSATION LAWS

SEC. 27. (a) (1) The Congress hereby finds and declares that—

(A) the vast majority of American workers, and their families, are dependent on workmen's compensation for their basic economic security in the event such workers suffer disabling injury or death in the course of their employment; and that the full protection of American workers from job-related injury or death requires an adequate, prompt, and equitable system of workmen's compensation as well as an effective program of occupational health and safety regulation; and

(B) in recent years serious questions have been raised concerning the fairness and adequacy of present workmen's compensation laws in the light of the growth of the economy, the changing nature of the labor force, increases in medical knowledge, changes in the hazards associated with various types of employment, new technology creating new risks to health and safety, and increases in the general level of wages and the cost of living.

(2) The purpose of this section is to authorize an effective study and objective evaluation of State workmen's compensation laws in order to determine if such laws provide an adequate, prompt, and equitable system of compensation for injury or death arising out of or in the course of employment.

(b) There is hereby established a National Commission on State Workmen's Compensation Laws.

(c) (1) The Workmen's Compensation Commission shall be composed of fifteen members to be appointed by the President from among members of State workmen's compensation boards, representatives of insurance carriers, business, labor, members of the medical profession having experience in industrial medicine or in workmen's compensation cases, educators having special expertise in the field of workmen's compensation, and representatives of the general public. The Secretary, the Secretary of Commerce, and the Secretary of Health, Education, and Welfare shall be ex officio members of the Workmen's Compensation Commission.

(2) Any vacancy in the Workmen's Compensation Commission shall not affect its powers.

(3) The President shall designate one of the members to serve as Chairman and one to serve as Vice Chairman of the Workmen's Compensation Commission.

(4) Eight members of the Workmen's Compensation Commission shall constitute a quorum.

(d) (1) The Workmen's Compensation Commission shall undertake a comprehensive study and evaluation of State workmen's compensation laws in order to determine if such laws provide an adequate, prompt, and equitable system of compensation. Such study and evaluation shall include, without being limited to, the following subjects: (A) the amount and duration of permanent and temporary disability benefits and the criteria for determining the maximum limitations thereon, (B) the amount and duration of medical benefits and provisions insuring adequate medical care and free choice of physician, (C) the extent of coverage of workers, including exemptions based on numbers or type of employment, (D) standards for determining which injuries or diseases should be deemed compensable, (E) rehabilitation, (F) coverage under second or subsequent injury funds, (G) time limits on filing claims, (H) waiting periods, (I) compulsory or elective coverage, (J) administration, (K) legal expenses, (L) the feasibility and desirability of a uniform system of reporting information concerning job-related injuries and diseases and the operation of workmen's compensation laws, (M) the resolution of conflict of laws, extraterritoriality and similar problems arising from claims with multistate aspects, (N) the extent to which private insurance carriers are excluded from supplying workmen's compensation coverage and the desirability of such exclusionary practices, to the extent they are found to exist, (O) the relationship between workmen's compensation on the one hand, and old-age, disability, and survivors insurance and other types of insurance, public or private, on the other hand, (P) methods of implementing the recommendations of the Commission.

(2) The Workmen's Compensation Commission shall transmit to the President and to the Congress not later than July 31, 1972, a final report containing a detailed statement of the findings and conclusions of the Commission, together with such recommendations as it deems advisable.

(e) (1) The Workmen's Compensation Commission or, on the authorization of the Workmen's Compensation Commission, any subcommittee or members thereof, may, for the purpose of carrying out the provisions of this title, hold such hearings, take such testimony, and sit and act at such times and places as the Workmen's Compensation Commission deems advisable. Any member authorized by the Workmen's Compensation Commission may administer oaths or affirmations to witnesses appearing before the Workmen's Compensation Commission or any subcommittee or members thereof.

(2) Each department, agency, and instrumentality of the executive branch of the Government, including independent agencies, is authorized and directed to furnish to the Workmen's Compensation Commission, upon request made by the Chairman or Vice Chairman, such information as the Workmen's Compensation Commission deems necessary to carry out its functions under this section.

(f) Subject to such rules and regulations as may be adopted by the Workmen's Compensation Commission, the Chairman shall have the power to—

(1) appoint and fix the compensation of an executive director, and such additional staff personnel as he deems necessary, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but at rates not in excess of the maximum rate for GS–18 of the General Schedule under section 5332 of such title, and

(2) procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code.

(g) The Workmen's Compensation Commission is authorized to enter into contracts with Federal or State agencies, private firms, institutions, and individuals for the conduct of research or surveys, the preparation of reports, and other activities necessary to the discharge of its duties.

(h) Members of the Workmen's Compensation Commission shall receive compensation for each day they are engaged in the performance of their duties as members of the Workmen's Compensation Commission at the daily rate prescribed for GS–18 under section 5332 of title 5, United States Code, and shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties as members of the Workmen's Compensation Commission.

(i) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

(j) On the ninetieth day after the date of submission of its final report to the President, the Workmen's Compensation Commission shall cease to exist.

ECONOMIC ASSISTANCE TO SMALL BUSINESSES

SEC. 28. (a) Section 7(b) of the Small Business Act, as amended, is amended—

(1) by striking out the period at the end of "paragraph (5)" and inserting in lieu thereof "; and"; and

(2) by adding after paragraph (5) a new paragraph as follows: "(6) to make such

loans (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis) as the Administration may determine to be necessary or appropriate to assist any small business concern in effecting additions to or alterations in the equipment, facilities, or methods of operation of such business in order to comply with the applicable standards promulgated pursuant to section 6 of the Occupational Safety and Health Act of 1970 or standards adopted by a State pursuant to a plan approved under section 18 of the Occupational Safety and Health Act of 1970, if the Administration determines that such concern is likely to suffer substantial economic injury without assistance under this paragraph."

(b) The third sentence of section 7(b) of the Small Business Act, as amended, is amended by striking out "or (5)" after "paragraph (3)" and inserting a comma followed by "(5) or (6)".

(c) Section 4(c)(1) of the Small Business Act, as amended, is amended by inserting "7(b)(6)," after "7(b)(5),".

(d) Loans may also be made or guaranteed for the purposes set forth in section 7(b)(6) of the Small Business Act, as amended, pursuant to the provisions of section 202 of the Public Works and Economic Development Act of 1965, as amended.

ADDITIONAL ASSISTANT SECRETARY OF LABOR

SEC. 29. (a) Section 2 of the Act of April 17, 1946 (60 Stat. 91) as amended (29 U.S.C. 553) is amended by—

(1) striking out "four" in the first sentence of such section and inserting in lieu thereof "five"; and

(2) adding at the end thereof the following new sentence, "One of such Assistant Secretaries shall be an Assistant Secretary of Labor for Occupational Safety and Health.".

(b) Paragraph (20) of section 5315 of title 5, United States Code, is amended by striking out "(4)" and inserting in lieu thereof "(5)".

ADDITIONAL POSITIONS

SEC. 30. Section 5108(c) of title 5, United States Code, is amended by—

(1) striking out the word "and" at the end of paragraph (8);

(2) striking out the period at the end of paragraph (9) and inserting in lieu thereof a semicolon and the word "and"; and

(3) by adding immediately after paragraph (9) the following new paragraph:

"(10)(A) the Secretary of Labor, subject to the standards and procedures prescribed by this chapter, may place an additional twenty-five positions in the Department of Labor in GS–16, 17, and 18 for the purposes of carrying out his responsibilities under the Occupational Safety and Health Act of 1970;

"(B) the Occupational Safety and Health Review Commission, subject to the standards and procedures prescribed by this chapter, may place ten positions in GS–16, 17, and 18 in carrying out its functions under the Occupational Safety and Health Act of 1970."

EMERGENCY LOCATOR BEACONS

SEC. 31. Section 601 of the Federal Aviation Act of 1958 is amended by inserting at the end thereof a new subsection as follows:

"EMERGENCY LOCATOR BEACONS

"(d)(1) Except with respect to aircraft described in paragraph (2) of this subsection, minimum standards pursuant to this section shall include a requirement that emergency locator beacons shall be installed—

"(A) on any fixed-wing, powered aircraft for use in air commerce the manufacture of which is completed, or which is imported into the United States, after one year following the date of enactment of this subsection; and

"(B) on any fixed-wing, powered aircraft used in air commerce after three years following such date.

"(2) The provisions of this subsection shall not apply to jet-powered aircraft; aircraft used in air transportation (other than air taxis and charter aircraft); military aircraft; aircraft used solely for training purposes not involving flights more than twenty miles from its base; and aircraft used for the aerial application of chemicals."

SEPARABILITY

SEC. 32. If any provision of this Act, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of this Act, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

APPROPRIATION

SEC. 33. There are authorized to be appropriated to carry out this Act for each fiscal year such sums as the Congress shall deem necessary.

EFFECTIVE DATE

SEC. 34. This Act shall take effect one hundred and twenty days after the date of its enactment.

And the House agreed to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill, and agree to the same.

CARL D. PERKINS,
EDITH GREEN,
FRANK THOMPSON, Jr.,
JOHN H. DENT,
DOMINICK V. DANIELS,
JAMES G. O'HARA,
AUGUSTUS F. HAWKINS,
WILLIAM D. FORD,
WILLIAM D. HATHAWAY,
LLOYD MEEDS,
PHILLIP BURTON,
JOSEPH M. GAYDOS,
WILLIAM H. AYRES,
ALBERT H. QUIE,
JOHN N. ERLENBORN,
MARVIN L. ESCH,
EDWIN D. ESHLEMAN,
WILLIAM A. STEIGER,
Managers on the Part of the House.

WINSTON PROUTY,
W. B. SAXBE,
RICHARD S. SCHWEIKER,
PETER H. DOMINICK,
HARRISON A. WILLIAMS,
RALPH W. YARBOROUGH,
JENNINGS RANDOLPH,
CLAIBORNE PELL,
GAYLORD NELSON,
WALTER F. MONDALE,
THOMAS F. EAGLETON,
ALAN CRANSTON,
JACOB K. JAVITS,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2193) to authorize the Secretary of Labor to set standards to assure safe and healthful working conditions for working men and women, to assist and encourage States to participate in efforts to assure such working conditions, to provide for research, information, education, and training in the field of occupational safety and health, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause and inserted a new text. The conference report recommends a substitute text for both the Senate bill and the House amendment. Except for minor, technical, and clarifying differences, this statement describes the actions of the conferees insofar as they recommend changes in the House amendment.

CONGRESSIONAL FINDINGS AND PURPOSE

The findings and purposes of the Senate bill and the House amendment were consistent but the House provisions were more detailed. The Senate receded.

DEFINITIONS

Under the Senate bill to qualify as a "national consensus standard", interested parties had to reach substantial agreement on its adoption after diverse views had been considered. Under the House amendment, a standard qualified if in the process interested parties' views were considered. The House receded.

APPLICABILITY OF ACT

The Senate bill did not provide coverage for Guam. The House amendment did. A House provision excluded from coverage any vessel underway on the Outer Continental Shelf lands. The House receded on the second point, the Senate on the first.

EFFECT ON OTHER LAWS

The Senate bill said the Act should not apply to working conditions with respect to which other Federal agencies exercise statutory authority affecting occupational safety and health, while the House amendment excluded employees whose working conditions were so regulated. The House language had an additional exclusion relating to employees whose safety and health were regulated by state agencies acting under section 274 of the Atomic Energy Act of 1954. The House receded on the first point; the Senate receded on the second.

The Senate bill provided that safety standards under any law administered by the Secretary of Labor (Walsh-Healy, Service Contract Act, Construction Safety Act, Arts and Humanities Act, and Longshore Safety) would be superseded when more effective standards are promulgated under this Act, but until then they were deemed standards under the present Act. The enforcement process of this Act was thus added to the enforcement procedures of those other Acts. The House amendment repealed and rescinded standards under the Walsh-Healy, the Service Contracts, and the Arts and Humanities Acts. All construction industry employers were exempted from this Act and the entire industry brought under the Construction Safety Act. That Act was amended to make the enforcement provisions of this Act applicable. Unlike the Senate bill which left the hearing of contract violation cases with the Secretary, the House amendment provided the hearing of such cases by the Safety and Health Commission. The House receded.

The conferees intend that the Secretary develop health and safety standards for construction workers covered by Public Law 91–54 pursuant to the provisions of that law and that he use the same mechanisms and resources for the development of health and safety standards for all the other construction workers newly covered by this Act, including those engaged in alterations, repairs, painting and/or decorating.

It is understood by the Conferees that in any enforcement proceedings brought under either this Act or under such other Acts, the principle of collateral estoppel will apply.

DUTIES OF EMPLOYERS AND EMPLOYEES

Employers' Duties.—The Senate bill required workplaces to be free from "recognized hazards". The House amendment required such places to be free from "any hazards which are readily apparent and are causing or are likely to cause death or serious bodily harm." The House provision was adopted with the Senate's "recognized hazard" term replacing the House's "readily apparent hazard."

Employees' Duties.—The Senate bill required each employee to comply with occupational health and safety standards and the rules, regulations, and orders issued under this Act. The House amendment had no comparable provision. The House receded.

THE PROMULGATION OF HEALTH AND SAFETY STANDARDS

Who Should Promulgate.—The Senate bill provided for the promulgation of occupational safety and health standards by the Secretary of Labor. The House amendment authorized their promulgation by a National Occupational Safety and Health Board. The House receded.

Interim Standards—Procedure.—Unless it was determined that such standards would not improve safety or health, both versions of the bill required the earliest practical promulgation of national consensus and established Federal standards and permitted use of an informal, shortened rule-making procedure. Two years were permitted in the Senate bill, three years in the House amendment. Not contained in the House amendment was a Senate provision for the promulgation of existing proprietary standards also by a shortened rule-making procedure during the first two years. The Senate receded with respect to the issuance of proprietary standards. The House receded as to the time.

Permanent Standards—Procedure.—In the procedures provided for the establishment and promulgation of standards (other than those mentioned above) there were many similarities in the Senate bill and the House amendment. For instance, both the Secretary and Board were permitted to begin rule-making on their own motion or on the basis of petitions. Some of the procedural differences resulted mainly, however, from the choice of the respective bodies as to who should do the rule-making. The chief difference lay in the fact that the procedure for setting standards in the Senate bill was the informal rule-making procedures of the Administrative Procedure Act and required a hearing only if it was requested. The procedure for setting standards under the House amendment were under the formal rule-making procedures also provided in the Administrative Procedure Act. The House receded on the procedure for promulgating standards.

Once it was decided that a rule should be prescribed, both the Secretary (under the Senate bill) and the Board (under the House amendment) were permitted to appoint an advisory committee to make recommendations. The Senate bill required a report back from the advisory committee within 90 days, which could be extended to 270 days. The House amendment established the normal time to be 270 days, which could be extended to 1 year, 3 months. Both versions permitted the Secretary to prescribe a shorter period.

Under the Senate bill, the Secretary was required to publish a proposed rule promulgating, modifying or remaking a safety or health standard in the Federal Register. This publication had to follow within 60 days the recommendation of an advisory committee or, if they failed to report back, within 60 days of the time set by the Secretary for their recommendations. Publication in the Register permitted interested persons 30 days to submit written data or comments and to ask for a hearing. Within an additional 30 days the Secretary was required to publish any standard which had been objected to and a hearing requested. He had also to set a time and place for a hearing. Sixty days after the expiration of the time permitted for filing written data or comments, or 60 days after completion of the hearing, the Secretary had to issue the rule or determine that a rule should not be issued.

Under the House bill within 4 months after the advisory committee had made its recommendations (or if they failed to do so, 4 months after the time set for them to do so), the Board was required to schedule and give notice of a hearing on the proposal in the Federal Register.

The House provided for issuance of the rule promulgating, modifying, or revoking the standard or declining to do so, within 60 days following completion of the hearings where an advisory committee had acted, 120 days, where no such committee has been appointed. All Senate provisions as to procedure and time limitations were retained.

Effective Date.—Both the Senate bill and the House amendment permitted the Secretary or the Board, respectively, to delay the effective date of a new standard to permit affected employers to familiarize themselves and their employees with its requirements. The House amendment limited that possible delay to 90 days. The Senate bill had no such limitation. The Senate receded.

Development of Standards.—The Senate bill directed the Secretary in setting standards dealing with toxic materials or harmful physical agents to set the standard which assures that no employee will suffer material impairment of health or functional capacity even if he is exposed for all his working life. The Senate bill also provided that (1) standards shall be based on research, demonstrations, experiments, and such other information as may be appropriate; (2) in addition to the attainment to the highest degree of health and safety protection to the employee, other considerations shall be the latest scientific data in the field, the feasibility of these standards, and experience gained under this and other health and safety standards and (3) whenever practicable, the standard promulgated shall be expressed in terms of objective criteria and of the performance desired. The House amendment had no comparable provisions. The House receded with an amendment which provides that employers may petition for a temporary variance from an occupational health or safety standard if they are unable to comply with a standard for the following limited reasons: unavailability of professional or technical personnel or of necessary materials or equipment or because necessary construction or alteration of facilities cannot be completed in time. Economic hardship is not to be a consideration for the qualification for a temporary extension order. Employees are entitled to a hearing on the order. Such an order may be issued for a maximum period of one year and may not be renewed more than twice.

The conference agreement also permits a variance to permit an employer to participate in an approved experiment to demonstrate or validate new techniques to improve employees safety.

Standards—Labels and Warnings.—The Senate bill required standards requiring labels and other warnings to appraise employees of hazards, symptoms, treatments and precautions, etc. The House amendment similarly required the posting of labels and warnings to apprise employees of the existence of hazards and of the suggested methods of avoiding or alleviating them. Such labeling and warning standards were also directed by the Senate bill to be prescribed for protective equipment, control procedures, monitoring methods, and medical examinations. An informal rule-making process was permitted for modifying such labeling, monitoring, and medical examination requirements. The House amendment contained no comparable provision. The House receded.

Both versions required publication of the statement of reasons why an adopted rule would better effectuate the purposes of the Act than a national consensus standard with which it differs. The Senate bill required a publication of the statement in the Federal Register. The House required its publication as part of the rule. The adopted version requires a simultaneous publication of the rule and the statement.

Emergency Temporary Standards.—Emergency temporary standards could be issued under either version of the bill without regard to the normal rule-making requirements and to take immediate effect. The Senate bill permitted such issuances where grave danger results from exposure to toxic substances, harmful physical agents, or new hazards. The House amendment limited emergency standards to toxic substances, or new hazards "resulting from the introduction of new processes." The House receded.

Standards—Exemption, Variance.—Both the Senate bill and the House amendment permitted an employer limited freedom from a standard promulgated under the Act when he provided equally safe and healthful condition. The Senate bill characterized this as a "variance" while the House called it an "exemption." The Senate term prevailed.

Standards—Pre-enforcement Review.—The Senate bill permitted pre-enforcement judical review by anyone adversely affected by any standard in his local circuit court of appeals provided he filed within 60 days after the promulgation. Pre-enforcement review was limited by the House amendment to the D.C. Court of Appeals and to within 30 days of issuance. The "substantial evidence" test was the basis of court review in the House amendment; in the Senate bill, the more vigorous standards generally applicable to review of rules would have been applicable. Review in the local Circuit Court of Appeals, the use of the "substantial evidence" test, and a 60-day limitation on the appeal time were accepted by the conferees.

Delegation of Authority.—Under the House amendment the Secretary was authorized to delegate his inspection authority to other agencies of the Federal Government or to agencies of the States with their permission. The Senate bill had no such provision. The House receded.

Advisory Committees—Memberships.—The House amendment made the appointment of employer and employee representatives to Advisory Committees mandatory in standard-setting proceedings. The Senate bill did not. The Senate receded.

Advisory Committees—Meetings.—The House amendment required that Advisory Committee meetings be open to the public, whereas the Senate bill did not. The Senate receded.

National Advisory Committee.—This Senate bill provided that the National Advisory Committee should have twenty members, the House amendment provided for twelve. The Senate bill specifically provided for representation on the Committee of the occupational safety and health professions. The House amendment did not. The House language was adopted but modified to provide for representation of the safety and health professions.

INSPECTIONS, INVESTIGATIONS, AND RECORDKEEPING

Inspections.—The House amendment required that an inspector's entry into a workplace be permitted "without delay," which was not specified in the Senate bill. The Senate bill specified that the inspector could "privately" question employers, owners, agents and employees, the House amendment did not. The Senate receded on the first point, the House on the second. The Senate receded also to the House on its version of the provision authorizing compulsory process for witnesses and the production of evidence.

Inspections—Record Keeping.—The Senate bill permitted the Secretary to require record-keeping not only to insure compliance but also for the collection of research information. The House amendment limited his authority to the former purpose. The House receded.

Self-Inspection and Protection.—The Senate bill permitted the Secretary to require periodic self-inspections by the employer and certification of the results. There was no such provision in the House amendment. The House receded, with an amendment, deleting the language with respect to the certification of results. A Senate bill provision, without a House amendment counterpart, permitting the Secretary to require the posting of notices to keep employees informed of the protections of the Act, was retained.

Employer Reports.—A Senate bill provision without a counterpart in the House amendment permitted the Secretary to require an employer to keep records and make reports on "all work-related deaths, injuries and illnesses." The House receded with an amendment limiting the reporting requirement to injuries and illnesses other than of a minor nature, with a specific definition of what is not of a minor nature.

Employee Exposure Records.—The Senate bill, but not the House amendment, required the recording of employee exposures to potentially toxic or harmful materials required to be monitored or measured under Sections 6 (standards) or 19 (research). The House receded with an amendment which required recording only of those substances required to be monitored or measured under Section 6.

The Senate bill provided and the House amendment did not, for employee access to the monitoring process and for an employee's right to be notified when he had been exposed to *potentially* toxic substances. The House receded with the deletion of the word "potentially."

Information Required of Employers.—Both the Senate bill and the House amendment provided that the federal information requirement imposed on employers be as light as possible with duplication kept to a minimum. The House amendment, in addition, placed a similar stricture on State agencies operating under this Act. The Senate receded.

Labor-Management Aid of Inspection.—The Senate bill required that both a management and an employee representative be given an opportunity to accompany an inspector conducting an inspection of the workplace. Where there is no employee representative the Senate bill required consultation with a reasonable number of employees about the safety in the workplace. The House amendment did not require such an opportunity for either the employer or the employee representative but provided that if the employer accompanied the Secretary during the conduct of an inspection the employee representative would also be given the opportunity. The House receded with the understanding that the provision in itself does not confer authority on the Secretary to prescribe regulations with respect to representation questions in a collective bargaining context.

Special Inspections.—A special inspection was required by the Senate bill as soon as practicable where an employee alleges the violation of a standard in writing, and the Secretary finds probable cause that a violation exists. In case of a refusal to conduct an inspection or if any inspection results in a finding that no violation exists, a notification of that decision must be provided the employee in writing. The House receded. Where during any inspection or prior to a scheduled inspection an employee alleges a violation in writing, the Senate bill required a written explanation of a negative finding. An informal review process was in the latter instance also provided for. There were no comparable provisions in the House amendment. The House receded with amendments requiring the employer to be given notice of the request for an inspection and deleting the requirement that failure to find a violation be explained in writing.

CITATIONS FOR VIOLATIONS

The Senate bill provided that if, upon inspection or investigation, the Secretary or his authorized representative "determines" that an employer has violated mandatory requirements under the Act, he shall "forthwith" issue a citation. The House amendment provided that if on the basis of an inspection or investigation the Secretary "believes" that an employer has violated such requirements, he shall issue a citation to the employer. The conference report provides that if the Secretary "believes" that an employer has violated such requirements he shall issue the citation with reasonable promptness. In the absence of exceptional circumstances any delay is not expected to exceed 72 hours from the time the violation is detected by the inspector.

The Senate bill kept separate the proceedings for the issuance of the citation from those with respect to the imposition of penalties for violations. The House amendment combined proposed penalties with the issuance of the citation. The conference report follows the provisions of the Senate bill in this respect.

The Senate bill provided for a notice in lieu of citations in de minimis cases. The House amendment did not require a citation in de minimis cases. The conference report follows the provisions of the Senate bill.

The House amendment permitted a citation to be issued no later than 90 days following the occurrence of a violation. There was no comparable Senate provision. The House receded.

Both versions required the posting of citations at or near the place of violation, but the Senate bill expressly provided that posting regulations should be issued by the Secretary. The conference report contains the provisions of the Senate bill.

The House amendment prohibited issuance of a citation more than three months after the occurrence of any violation. The Senate bill had no such statute of limitations. The Senate receded with an amendment changing the three months to six months.

Under the Senate bill the Secretary had to notify the employer within a reasonable time after a citation of the amount of a penalty. The employer had to give notice of his intention to contest the citation or penalty with fifteen days of the notice or the penalty was to be final. Under the House amendment the employer had similar rights. He was to notify the Secretary of his intention to appeal. The Secretary was to notify the Appeals Commission which had to give him a hearing. The House receded.

The Senate bill specified procedures to be followed when there was a failure to correct a violation within the time provided in a citation. The House amendment contained no such provision. The House receded.

The Senate bill gave employees the right to appeal the time allowed for abatement of a violation and provided that the Commission should prescribe rules of procedure giving employees the opportunity to participate as parties. The House amendment restricted the right of appeal in such cases to the employer. The House receded with an amendment which provides that the employer shall have a right to reopen the proceedings for a re-hearing in the event it is impossible to comply with the abatement requirements within the period provided for in the citation.

JUDICIAL PROCEEDINGS

Both the Senate bill and the House amendment provided for judicial review of Commission decisions. The Senate bill provided appeal rights to any person adversely affected or aggrieved by an order of the Commission. The House amendment limited appeal rights to the employer and the Secretary. The House amendment provided for judicial review in the Court of Appeals for the circuit where the violation occurred or where the employer had his principal office. The Senate bill also permitted review in the D.C. Court of Appeals. The House receded.

Under the Senate bill all Commission orders became final fifteen days after issuance unless stayed by the Court of Appeals. Under the House amendment the filing of a petition for review automatically stays a Commission order. The Senate bill, but not the House amendment, permitted uncontested orders of the Commission to be entered as orders of the Court of Appeals. The House receded with an amendment providing for the finality of Commission orders thirty days after issuance unless stayed by the court.

The Senate bill provided for assessment of penalties in contempt proceedings to enforce a Court of Appeals decree. The House bill had no comparable provision. The House receded.

The Senate bill did not contain a provision which was in the House amendment authorizing a district court suit to collect civil penalties. The Senate receded.

The Senate bill provided for administrative action to obtain relief for an employee discriminated against for asserting rights under this Act, including reinstatement with back pay. The House bill contained no provision for obtaining such administrative relief; rather it provided civil and criminal penalties for employers who discriminate against employees in such cases. With respect to the first matter, the House receded with an amendment making specific the jurisdiction of the district courts for proceedings brought by the Secretary to restrain violations and other appropriate relief. With respect to the second matter dealing with civil and criminal penalties for employers, the House receded.

OCCUPATIONAL SAFETY AND HEALTH APPEALS COMMISSION

The Occupational Safety and Health Review Commission in the Senate bill and the Occupational Safety and Health Appeals Commission in the House amendment are composed of three members in each instance, with terms under the Senate bill of five years and under the House amendment of six years. In other respects, though differing in actual language, both bills were alike in legal effect. With respect to the terms of office the Senate receded. But in the other respects, the conference report uses the language in the Senate bill.

The Senate bill provided that all members of the Appeals Commission were to receive the same salary at Executive Level 4. The House amendment gave the Chairman a higher salary at Executive Level 3. The Senate receded. The House amendment provided that the Commission might appoint hearing examiners without regard to any statutory limitations on grades GS–16 and above. The Senate receded.

PROCEDURES TO COUNTERACT IMMINENT DANGERS

The Senate bill authorized the Secretary to seek a court order to remove or correct an imminent danger and require the withdrawal of endangered persons other than "those necessary to correct the danger, maintain the operating capacity of a continuous process operation or permit a safe and orderly shutdown." The Senate bill contained no limitation on the duration of such a temporary restraining order, although the 10-day limit in the F.R.C.P. was applicable. The Senate bill permitted the Secretary to issue an administrative imminent danger shutdown order where there was insufficient time to obtain a court order. The House amendment authorized the Secretary to seek court orders to restrain conditions or practices which caused imminent dangers. A temporary restraining order under the House amendment was to remain in effect only five days. The

House amendment contained no provision permitting the Secretary to issue an administrative imminent danger order. The Senate receded with an amendment adopting with minor changes the limitations on court authority mentioned in the quotation above.

The Senate bill provided that if the Secretary arbitrarily or capriciously failed to issue or seek an imminent danger order, employees might seek a writ of mandamus against him. The House amendment provided that where the Secretary unreasonably failed to seek an order an employee injured thereby might bring an action for damages in the Court of Claims. The House receded.

The House amendment provided that where an injunction was issued the court must set a sum for the payment of damages if the injunction is eventually found to have been in error. There was no comparable provision in the Senate bill. The House receded.

REPRESENTATION IN CIVIL LITIGATION

The Senate bill and the House amendment contained comparable provisions for the Solicitor of Labor to appear for and represent the Secretary in any civil litigation brought under the Act, but the House amendment unlike the Senate bill made specific reference to the Attorney General's authority to represent the United States in the Court of Claims. The Senate receded. The conferees expect that the Solicitor of Labor will represent the Department of Labor in proceedings before the Review Commission.

CONFIDENTIALITY OF TRADE SECRETS

Provision was made in both versions of the bill for the protection of trade secrets. The House amendment provided that in proceedings arising under the Act such information should be presented off the public record and preserved separately. The Senate bill provided that the court or the Secretary should issue appropriate orders to preserve confidentiality. The House receded.

VARIATIONS, TOLERANCES AND EXEMPTIONS

Both bills provided that variations, tolerances and exemptions shall not be in effect more than six months without notification to employees and an opportunity for a hearing. In addition, the House bill also provided that variations, tolerances, and exemptions may not be granted in the first instance without notice and an opportunity for a hearing. The Senate receded.

PENALTIES

The Senate bill provided that there shall be assessed a civil penalty of not more than $1,000 for each violation. The House amendment was similar unless the violation was determined not to be of a serious nature in which case a civil penalty of up to $1,000 was discretionary. The Senate bill provided for civil penalties of not more than $1,000 for each day in which an imminent danger order or final order of the Commission was violated. The House amendment also provided for a penalty of up to $1,000 for each day in which an order which has become final was violated. The Senate receded on each point.

Both bills permitted mitigation, compromise, or settlement of penalties. The House amendment required publication in the Federal Register whenever the Secretary mitigated, compromised, or settled any penalty. Both bills contained similar provisions which specify the factors to be considered in assessing a penalty. The Senate receded.

The Senate bill provided criminal penalties for wilful violations (not more than $10,000 and/or six months doubled after first conviction). The House amendment provided for a civil penalty of up to $10,000 for wilful or repeated violations. The Senate receded on civil penalties and the House receded on criminal penalties with an amendment which requires that the wilful violation of the standard or the rule, regulation or order result in death to an employee, for the employer to be subject to the criminal penalties provided in the subsection.

The House amendment provided no penalty for giving advanced notice of any inspection to be conducted under the Act. The Senate bill provided a fine not to exceed $1,000 and imprisonment for not more than six months or both for giving advanced notice. The House receded.

The Senate bill contained a provision providing penalties for false statements, representations, or certifications. The House amendment contained no comparable provision. The House receded.

Both bills provided identical penalties for any person who assaults, intimidates, or interferes with federal investigators and inspectors in the performance of their duties, though the bills took different approaches. The Senate bill extended to such investigators and inspectors the basic statutory protection contained in section 1114 of Title 18 of the United States Code. The House amendment set forth the prohibited activities and the penalties in the Act. The Conference Report contains the language of the Senate bill to which has been added language from the House amendment providing that a person who kills a person while engaged in or on account of the performance of his duties under the Act shall be punished by imprisonment for any term of years or for life.

The Senate bill, unlike the House amendment, did not specifically provide a penalty for violation of posting requirements. The Senate receded.

The House amendment contained a provision specifying the factors to be considered in the assessment of penalties. The Senate receded with an amendment which struck from the provision specified authority for the Commission to collect the penalties as well as to assess them.

The House amendment, unlike the Senate bill, contained a provision setting forth certain factors under which a serious violation shall be deemed to exist. The Senate receded.

STATE JURISDICTION AND STATE PLANS

Both versions of the bill provided for court review of a decision of the Secretary to reject or withdraw approval of a State plan. The Senate bill applied a "substantial evidence" standard of review and the House amendment applied an "arbitrary and capricious" standard. The House receded.

Both versions of the bill allowed agreements between the Secretary and a State whereby the State could continue enforcement of its health and safety standards pending final action on the State plan. The Senate bill limited such agreements to standards which were not in conflict with Federal standards. The Senate bill also provided that a State standard which was more stringent than a Federal standard was not to be regarded as one in conflict with that Federal standard. The Senate receded.

FEDERAL AGENCY SAFETY PROGRAMS AND RESPONSIBILITIES

Annual reports to the Congress with respect to progress of Federal agency safety programs were required in both the Senate bill and the House amendment. The Senate bill specified that the President should forward to the Congress a summary or digest of the reports submitted to him by the Secretary, whereas the House bill required the President to submit a report of the activities of Federal agencies in this regard. The Senate receded.

RESEARCH AND RELATED ACTIVITIES

Both bills required the Secretary of HEW to consult with the Secretary of Labor to develop a research plan in order to develop criteria to assist in setting standards. The Senate bill specified that criteria dealing with toxic materials and harmful physical agents should be developed to demonstrate the exposure levels at which the worker would experience no impairment of health function or life expectancy, whereas the House bill did not. The House amendment required annual publication of the criteria developed by the Secretary of HEW, whereas the Senate bill did not. The House receded on these provisions with an amendment to require the development of such criteria dealing with toxic materials and harmful physical agents and substances which will describe exposure levels that are safe for various periods of employment, including but not limited to the exposure levels at which no employee will suffer impaired health or functional capacity or diminished life expectancy as a result of his work experience.

The Senate bill authorized the Secretary of HEW for research purposes to establish medical examinations for such employees and to require any employer to measure, monitor, and make reports on the exposure of his employees to potentially toxic or harmful agents. With regard to the latter, on the request of any such employer the Secretary was required to defray the added cost incurred by that employer. There was no comparable House provision. The House receded with the understanding that regulations issued by the Secretary of HEW pursuant to this subsection requiring employer measurement, recording, and reporting will be limited to those instances in which there is a reasonable probability of developing information on toxic substances or harmful physical agents.

The House amendment authorized appropriations of such sums as Congress deems necessary to enable the Secretary of Labor to purchase monitoring equipment for all employers required by any standard, rule or regulation to measure the exposure of employees to unhealthy environments for the protection of the employee and to establish compliance with such standards, rules or regulations. There was no comparable Senate provision. The House receded.

Both the Senate bill and the House amendment required the Secretary of HEW to publish on an annual basis a list of toxic substances. The Senate bill required only the publication of those toxic substances which are "used or found in the work place" whereas the House amendment did not contain such a limitation. The Senate receded.

Both the Senate bill and the House amendment provided for the determination of toxicity when requested by any employer or employee. The Senate bill provided that the Secretary of HEW make such a determination on "written request" which specified with "reasonable particularity" the grounds on which the request was being made. Under the Senate bill, if toxicity was determined and no applicable standard was in effect, the Secretary of Labor was to be so advised. There was no such requirement in the House amendment. Further, under the House amendment, the determination of toxicity was to be made by the Board and there was no requirement that the request be particularized or in writing. The House receded on these provisions.

The Senate bill required the Secretary of HEW to conduct and publish annually industrywide studies of the effects of chronic and low level exposure to industrial materials, processes, and stresses on the potential for illness, disease, or loss of functional capacity in aging adults. There was no comparable House Provision. The House receded.

NATIONAL INSTITUTE

The Senate bill directed the delegation of HEW functions where feasible to a National Institute for Occupational Safety and Health established by the Senate bill. There were no

comparable provisions in the House amendment. The Conference agreement provides for the creation of the National Institute and requires the delegation provided for in the Senate bill.

STATISTICS

Both versions of the bill provided for the collection, compilation and publishing of occupational safety and health statistics. The House amendment but not the Senate bill authorized such efforts for all employments whether or not they were covered by this Act, so long as they are included within the geographical authority of the Act. The Senate receded with an amendment to require the Secretary of Labor to consult with the Secretary of HEW in the carrying out of this statistical program, and specifying the types of injuries on which statistics must be collected.

The House amendment but not the Senate bill explicitly provided that any existing agreements between the Labor Department and the States for the collection of statistics remain in effect until superseded by new arrangements under this Act. The Senate receded.

AUDITS

Both versions of the bill authorized the Secretary of Labor to require grantees under the Act to maintain such records and accounts as deemed necessary. The Senate bill but not the House amendment provided the same authority to the Secretary of HEW. The House receded.

Both versions of the bill required all grantees to provide access to their books and records to the Secretary of Labor and the Comptroller General. The Senate bill also provided the Secretary of HEW with such access. The House receded.

COMMISSION ON WORKMEN'S COMPENSATION LAWS

The Senate bill established a National Commission on State Workmen's Compensation Laws to undertake an effective study and objective evaluation of State Workmen's Compensation laws. The Commission was required to report its findings, conclusions and recommendations to the President and the Congress no later than February 1, 1972. The House receded with an amendment changing the reporting date to July 31, 1972.

ADDITIONAL ASSISTANT SECRETARY OF LABOR

The Senate bill provided for an additional Assistant Secretary of Labor to be known as the "Assistant Secretary of Labor for Occupational Safety and Health." The House amendment did not. The House receded.

ADDITIONAL POSITIONS

To carry out responsibilities under the Act the Senate bill but not the House amendment provided for additional supergrade positions for the Department of Labor and the Review Commission. The House receded.

EMERGENCY LOCATOR BEACONS

The Senate bill, but not the House amendment, amended the Federal Aviation Act to require emergency locator beacons on aircraft. The House receded.

EFFECTIVE DATE

The conference agreement provides that the Act should take effect 120 days after the date of enactment as provided in the House amendment rather than in 30 days after the enactment as provided in the Senate bill.

TITLE

The conference adopted the title contained in the House bill which reads as follows: "An Act to assure safe and healthful working conditions for working men and women; by authorizing enforcement of the standards developed under the Act; by assisting and encouraging the States in their efforts to assure safe and healthful working conditions; by providing for research, information, education, and training in the field of occupational safety and health; and for other purposes."

CARL D. PERKINS,
EDITH GREEN,
FRANK THOMPSON, JR.,
JOHN H. DENT,
DOMINICK V. DANIELS,
JAMES G. O'HARA,
AUGUSTUS F. HAWKINS,
WILLIAM D. FORD,
WILLIAM D. HATHAWAY,
LLOYD MEEDS,
PHILLIP BURTON,
JOSEPH M. GAYDOS,
WILLIAM H. AYRES,
ALBERT H. QUIE,
JOHN N. ERLENBORN,
MARVIN L. ESCH,
EDWIN D. ESHLEMAN,
WILLIAM A. STEIGER,
Managers on the Part of the House.

CONFERENCE REPORT ON S. 704, AUTHORIZING ADDITIONAL APPROPRIATIONS TO THE SMITHSONIAN INSTITUTION

Mr. THOMPSON of New Jersey submitted the following conference report and statement on the bill (S. 704), to amend the Act of October 15, 1966 (80 Stat. 953; 20 U.S.C. 65a), relating to the National Museum of the Smithsonian Institution, so as to authorize additional appropriations to the Smithsonian Institution for carrying out the purposes of said Act:

CONFERENCE REPORT (H. REPT. No. 91-1766)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 704) to amend the Act of October 15, 1966 (80 Stat. 953; 20 U.S.C. 65a), relating to the National Museum of the Smithsonian Institution, so as to authorize additional appropriations to the Smithsonian Institution for carrying out the purposes of said Act, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

That section 2(b) of the National Museum Act of 1966 (20 U.S.C. 65a) is amended to read:

"(b) There are hereby authorized to be appropriated to the Smithsonian Institution such sums as may be necessary to carry out the purposes of this Act: *Provided*, That no more than $1,000,000 shall be appropriated annually through fiscal year 1974, of which $300,000, annually, shall be allocated and used as follows:

"(A) 33⅓ per centum shall be available for the purposes of clause (2) of subsection (a);

"(B) 33⅓ per centum shall be available for transfer to the National Endowment for the Arts for assistance to museums under section 5(c) of the National Foundation on the Arts and Humanities Act of 1965; and

"(C) 33⅓ per centum shall be available for transfer to the National Endowment for the Humanities for assistance to museums under section 7(c) of the National Foundation on the Arts and Humanities Act of 1965.".

SEC. 2. Section 2(a)(2) of the National Museum Act of 1966 (20 U.S.C. 65a(2)) is amended to read as follows:

"(2) prepare and carry out programs by grant, contract, or directly for training career employees in museum practices in cooperation with museums, their professional organizations, and institutions of higher education either at the Smithsonian Institution or at the cooperating museum, organization, or institutions;"

And the House agree to the same.

FRANK THOMPSON, JR.,
JOHN BRADEMAS,
FRED SCHWENGEL,
Managers on the Part of the House.
CLAIBORNE PELL,
ROBERT BYRD,
JOHN SHERMAN COOPER,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 704) to amend the Act of October 15, 1966 (80 Stat. 953; 20 U.S.C. 65a), relating to the National Museum of the Smithsonian Institution, so as to authorize additional appropriations to the Smithsonian Institution for carrying out the purposes of said Act, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause and inserted a substitute text. The committee of conference recommends that the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment which is a substitute for both the Senate bill and the House amendment, and that the House agree to the same. Except for technical and clerical changes, the differences between the House amendment and the conference substitute are discussed below.

The House amendment amended section 2(b) of the National Museum Act of 1966 (80 Stat. 953; 2 U.S.C. 65a, note), which contained certain obsolete appropriation authorizations to carry out that Act, so as to provide an up-to-date authorization of appropriations to the Smithsonian Institution to carry out that Act subject to the proviso that not more than $1,000,000 shall be appropriated annually through the fiscal year 1974.

The first section of the conference substitute contains provisions authorizing annual appropriations of $1,000,000 to the Smithsonian Institution which are to the same effect as the House amendment, but with the following additional provisions similar to certain provisions of the Senate bill. These additional provisions of the conference substitute are as follows:

Of this annual $1,000,000 authorization through the fiscal year 1974, the sum of $300,000 is to be allocated and used as follows:

(1) One-third of that $300,000 amount is to be available for programs authorized by section 2(a)(2) of the National Museum Act of 1966 (20 U.S.C. 65a), as proposed to be amended by section 2 of the conference substitute, for the training of career employees in museum practices in cooperation with museums, their professional organizations, and higher education institutions either at the Smithsonian Institution or at the cooperating museum, organization, or institution. These programs may be prepared and carried out by grant, by contract, or directly.

(2) One-third of the $300,000 amount is to be available for transfer to the National Endowment for the Arts for assistance to museums under section 5(c) of National Foundation on the Arts and Humanities Act of 1965 providing for programs of assistance to groups and individuals in connection with artistic, cultural, and creative productions, workshops, and other similar projects.

(3) One-third of the $300,000 amount is

to be available for transfer to the National Endowment for the Humanities for assistance to museums under section 7(c) of the National Foundation on the Arts and Humanities Act of 1965 which authorizes the Chairman of the National Endowment for the Humanities to develop national policy for promotion of scholarship in the humanities, initiate and assist programs to strengthen research potential in the humanities, award grants and fellowships for training and workshops, and support the publication of scholarly works in the humanities.

Section 2 of the conference substitute includes a provision contained in the Senate bill but not in the House amendment which amends section 2(a)(2) of the National Museum Act of 1966 (20 U.S.C. 65a) so as to expand the program of training career employees in museum practices by permitting such programs to be carried out through grants or by contract as well as directly. Existing law provides that such programs may be carried out only directly by the Director of the National Museum.

FRANK THOMPSON, JR.,
JOHN BRADEMAS,
FRED SCHWENGEL,
Managers on the Part of the House.

ELECTION TO COMMITTEE ON WAYS AND MEANS

Mr. ROSTENKOWSKI. Mr. Speaker, by direction of the Democratic caucus, I offer a privileged resolution (H. Res. 1312) and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 1312

Resolved, That Hugh L. Carey, of New York, be, and is hereby, elected a member of the standing Committee of the House of Representatives on Ways and Means.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 18582, AMENDMENTS TO THE FOOD STAMP ACT OF 1964

Mr. PEPPER. Mr. Speaker, on behalf of the able gentleman from Tennessee (Mr. ANDERSON) and by direction of the Committee on Rules, I call up House Resolution 1291 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 1291

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 18582) to amend the Food Stamp Act of 1964, as amended, and all points of order against the provisions contained on page 14, line 2 through line 14 of said bill are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the text of the bill H.R. 19889 as an amendment in the nature of a substitute for H.R. 18582, and all points of order against the provisions contained on page 25, line 11 through line 19 of said substitute are hereby waived. At the conclusion of the consideration of H.R. 18582 for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from Florida is recognized for 1 hour.

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

Mr. Speaker, House Resolution 1291 provides an open rule with 2 hours of general debate for consideration of H.R. 18582, amendments to the Food Stamp Act of 1964, and all points of order are waived against the provisions contained in the bill on page 14, lines 2 through 14, because of an appropriation in a legislative bill. The resolution further provides that it shall be in order to consider H.R. 19889 as a substitute for H.R. 18582 and all points of order are waived against the provisions contained in the substitute on page 25, lines 11 through 19, because of an appropriation in a legislative bill.

The purpose of H.R. 18582 is to amend the Food Stamp Act of 1964, as amended, which is to assist low-income households to increase their expenditures for food and to upgrade the quality of their diets.

A number of changes would be made in the present law. The program would be expanded to include Puerto Rico. The Secretary of Agriculture, in conjunction with the Secretary of Health, Education, and Welfare, is directed to establish uniform national standards for participating households. Separate standards for American Territories are prescribed.

As a condition of eligibility for program benefits, any able-bodied person between the ages of 18 and 65—except those responsible for the care of others—would be required to register for and accept employment if it is offered.

A minimum monthly payment of at least 50 cents per participant would be required and participating States would be required to pay a small portion of the cost of the program. State agencies are directed to initiate educational program for the purpose of informing potential participants of the program.

Participants 60 years or more of age are authorized to use stamps for meals delivered to them if prepared by an instrumentality of local government or a nonprofit organization.

Ongoing programs will continue to exist until brought into conformity with the bill and the Secretary is given additional authority to extend food assistance to communities without programs.

Food stamp and commodity programs may be operated simultaneously but individual participants may not receive dual benefits.

The bill contains open ended appropriations for the program through fiscal year 1973.

Mr. Speaker, I urge the adoption of House Resolution 1291.

Mr. LATTA. Mr. Speaker, at the outset I wish to commend the Committee on Agriculture for some of the amendments to this program which I think are needed.

Every Member has been back home often this year and has heard the many, many complaints on the misuse of this program.

When this program began we were led to believe it was to provide adequate diets for people who did not have sufficient income to provide such diets for themselves. But, lo and behold, we find in the administration of this program that this has not been the case. We have had cases called to our attention of college students, children of wealthy parents, receiving food stamps. I do not believe it was the intention of Congress to provide food stamps, at taxpayers' expense, for college students of wealthy parents.

It is no wonder that the people who know of such abuses are complaining about the program. I, for one, do not wish to see these complaints multiplying year after year and threatening the existence of the program for those genuinely in need.

I can well recall, as can the other Members, when we adopted this program. We were led to believe that someone would be sitting down with the needy recipients and working out a budget for them, with so much for rent, so much for clothing, and so much for food. The taxpayers were then to supplement the amount needed for food to insure a proper diet.

With few exceptions, this is not being done. All they do today is walk in, get their food stamps, and walk out.

We have had complaints of unqualified individuals obtaining and using these stamps in direct violation of the law. The individuals involved know they are violating the law but nothing is being done about it. If we want this program to continue, I think the laws must be enforced and the people charged with the responsibility of enforcing the law are going to have to do their job. Otherwise, I fear that public opinion is going to bring this program to an end.

The cost of this program continues to soar. The Food Stamp Act of 1964 authorized appropriations for 3 fiscal years, not in excess of $75 million for fiscal year 1965, not in excess of $100 million for fiscal year 1966, and not in excess of $200 million for fiscal year 1967.

The Food Stamp Act was amended under Public Law 90-91, approved September 27, 1967, for fiscal years 1968 and 1969 and an authorization not in excess of $200 million for fiscal year 1968 and not in excess of $225 million for 1969 was approved. Another amendment increased the maximum authorization for fiscal year 1969 to $315 million and provided for an appropriation authorization of up to $340 million for fiscal year 1970.

Then, later, before fiscal year 1970 expired, this $340 million was increased to $610 million—$610 million. We now have before us an open-ended authorization—which means no limitation on the cost of the program other than what the appropriation committee puts on it.

Mr. Speaker, with such an authoriza-

tion we are going to have more and more complaints unless this Congress does something about tightening up the regulations.

I mentioned at the outset that the committee is to be commended for tightening up in certain areas. I commend the committee for this action but I disagree with the liberalizing features which it has written into it.

Section 1 broadens the policy of the basic act by recognizing that limited purchasing power is related to hunger and malnutrition.

Section 2 of the bill consists of definition changes occasioned by substantive amendments, the most significant of which extends the program to Puerto Rico. It also defines "elderly persons."

Section 3 contains authority to simultaneously operate a food stamp and commodity program. Individual participants are precluded from simultaneously receiving dual benefits.

Section 4 provides that the Secretary of Agriculture in conjunction with the Secretary of the Department of Health, Education, and Welfare is directed to establish uniform national standards for participating households.

Mr. Speaker, all you have to do is talk to any Congressman and you will find how the administration of this program varies within the States. In fact, it seems like every county is administering this program differently.

So, I think it is high time that something be done to establish uniform national standards. This bill may lend some assistance toward this end.

Section 5 continues authority for establishing the value of coupons with a minimum monthly payment of at least 50 cents per person per month being required for each participant.

Section 9 of the bill requires participating States to finance a portion of the cost involved. The State share would be 2.5 percent for the first year, 5 percent for the second year, 7.5 percent for the third year, and 10 percent for the fourth and ensuing years.

Mr. Speaker, I would hope that during debate under the 5-minute rule some further tightening amendments will be adopted to insure us a food stamp program which will accomplish its objective without all of the shortcomings of the existing act.

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

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

Mr. TEAGUE of California. Mr. Speaker, I would like to say to the gentleman in the well, and those of my colleagues who were here at the time, and suggest to those who have arrived since, that 3 years ago, I believe it was, when we had this bill before us, I offered an amendment to prohibit the distribution of food stamps to persons out on strike. The amendment carried here in the House. Unfortunately, it failed in the conference with the other body. But it seemed to me at that time—and it still seems to me—that the general taxpayer who is paying for the cost of the food stamps—and I support the program—ought not be asked to subsidize people who are voluntarily out on strike.

This program is intended to help people who cannot get jobs, who cannot work, who really are starving through no fault or choice of their own. I am sure that there will be in the course of the consideration of this bill another opportunity to express our will on this subject.

Mr. LATTA. Mr. Speaker, I wish to thank the gentleman from California for his comments. I, too, support the program but I do not want to see the criticism bring the program down. If we continue like we are, this program will come to an end because the people are just not going to put up with all of these abuses.

Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania (Mr. GOODLING).

Mr. GOODLING. Mr. Speaker, I thank the gentleman from Ohio for yielding.

Mr. Speaker, I would like to read just one paragraph that appears in the minority views in the committee report on this bill:

> My service as a member of the House Committee on Agriculture has taught me that it is a dangerous business to dare question the validity of public feeding programs or the judgment of some of the leading hunger "experts" whose hunger for headlines appears to exceed their thirst for knowledge and truth.

Mr. Speaker, all of us are aware that last October, during the United Auto Workers strike against General Motors in Detroit, Federal food stamps were doled out to the strikers on a freewheeling basis. There was also a Teamster strike this year in which strikers received food stamps.

I have had the Department of Agriculture make an estimate on the costs involved in these food-stamp handouts in Detroit, and I am advised that between $12 and $14 million had been spent in this flourish of generosity on the part of Uncle Sam.

The Department also reported that during the Teamster's strike, in Cook County, Ill., there were 15,000 strikers who participated in the food stamp program, commencing early May through early July 1970. It also reported that this Teamster strike impact prompted loose controls and other irregularities in the issuance of authorizations to purchase food stamps. As per statistical sampling methods, it was discovered that about 5 percent of program participants had fraudulently secured two or more authorizations to purchase food stamps, resulting in program losses of about $200,000.

I have no objection whatsoever to food stamps going to those who, through no fault of their own, are in need of assistance. I vigorously object, however, to giving these food stamps to those whose needs have been occasioned through their own choice. I would, therefore, like to announce that if this rule prevails, as I am certain it will, I intend to offer an amendment that will prohibit Federal food stamps from going to striking workers.

There are those who will say that the striking workers paid their tax money and therefore should be eligible to receive food stamps. This is the same as saying that other citizens who pay their taxes and do not chose to become unemployed should be penalized for not becoming idle.

I would like to say that my amendment will not deny food stamps to a striking worker who had been receiving stamps before going on strike. In effect, my amendment does say that going on strike is not a passport or a license for obtaining Federal food stamps.

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

Mr. GOODLING. I yield to the gentleman.

Mr. DENT. I understood the gentleman to say that he would not deny food stamps to any person except those who had made a choice, such as to go on strike.

In other words, you would deny food stamps to a striker, but would you also deny them to his family if they were in need and they had made no choice, since they did not vote to go on strike.

Mr. GOODLING. I stated that we would not deny food stamps to an individual who was receiving food stamps before he went on strike.

Mr. DENT. Well, that is perfectly clear to me. But what do you do about the family of the striker whose family had nothing to do with the choice as to whether or not he went out on strike?

You would want to deny the food stamps to the striker himself—and that would be one thing. But how are you going to deny them to his family who had nothing to do with the choice of going on strike but who are hungry?

Mr. GOODLING. At this time you cannot set hard and fast guidelines and I would leave that to the discretion of the administrator of the program.

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

Mr. GOODLING. I yield to the gentleman.

Mr. PUCINSKI. What is the gentleman's view about denying food stamps to those who are locked out in a labor dispute where they have no control over the situation—they have been locked out and they cannot go to work because there happens to be a labor dispute between the union and the employer and the employer locks them out?

Mr. GOODLING. They have not voted to strike to begin with.

Mr. PUCINSKI. This is not a strike—this is a lockout—what do you do in that case when you have a family of kids who are hungry?

Mr. GOODLING. This is not a strike—I am referring to strikes.

Mr. PUCINSKI. In other words, you do not object to giving food stamps to those families who are victims of a lockout?

Mr. GOODLING. Again I would say that is up to the administration of the program. You cannot write specific guidelines of that kind. I can say my amendment specifies strikers and does not apply to lockouts.

The SPEAKER pro tempore. The time of the gentleman has expired.

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

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

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SEAMEN'S SERVICE ACT

Mr. GARMATZ. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 15549) to amend title 10, United States Code, to further the effectiveness of shipment of goods and supplies in foreign commerce by promoting the welfare of U.S. Merchant seamen through cooperation with the United Seamen's Service, and for other purposes, 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:

Page 4, after the line following line 2, insert:

"SEC. 4. The Merchant Marine Act, 1936 (46 U.S.C. 1101 et seq.), as amended, is amended as follows:

"(a) By striking out of section 501(a)(2) thereof (46 U.S.C. 1151(a)(2)) the words 'to enable it to operate and maintain' and inserting in lieu thereof 'for the operation and maintenance of'.

"(b) By striking out of section 502(a) thereof (46 U.S.C. 1152(a)) the words 'to enable it to operate and maintain' and inserting in lieu thereof 'for the operation and maintenance of'.

"(c) By inserting in section 601(a)(2) thereof (46 U.S.C. 1171(a)(2)) following the word 'owns' the words 'or leases'.

"(d) By inserting in section 601(a)(2) thereof (46 U.S.C. 1171(a)(2) following the word 'purchase' the words 'or lease'.

"(e) By striking the last sentence of section 805(d) thereof (46 U.S.C. 1223(d))."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

Mr. MAILLIARD. Mr. Speaker, reserving the right to object, and I shall not object, I would appreciate it if the distinguished gentleman would explain to the House what the Senate amendment consists of.

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

Mr. MAILLIARD. I yield to the gentleman.

Mr. GARMATZ. Mr. Speaker, the Senate amendment was designed to correct a deficiency in basic maritime legislation which was entirely overlooked at the time the Merchant Marine Act of 1970 was being considered by my committee. As you know, this new legislation set forth a program to revitalize the American merchant marine. It contemplates the construction of 30 modern vessels a year for the next 10 years. Included in the statute are several new measures designed to provide incentives toward the successful conclusion of this comprehensive shipbuilding program.

Under existing law, it is necessary that an applicant for a construction or operating subsidy, actually own the vessel or vessels covered by the application. This amendment would permit subsidy grants in cases where the vessels are acquired by lease financing rather than by outright purchase. It is in line with the provision of the Merchant Marine Act of 1970 which permitted the operators of vessels under leasing arrangements to be eligible for tax deferment privileges.

As is pointed out in Senate Report No. 91–1424, accompanying the bill, lease financing has become an increasingly popular method of financing such varied capital investments as airplanes, locomotives, supermarkets, and post offices. It is, therefore, entirely appropriate that we extend to vessels this new efficient and flexible method of financing.

The Senate amendment was approved by the administration and, I understand, by all segments of both labor and management in the maritime industry. Indeed, had the issue been presented in connection with our overall consideration of the new maritime program, I am sure it would have received approval of my Committee on Merchant Marine and Fisheries and of the Congress.

Mr. MAILLIARD. Mr. Speaker, I concur in what the chairman has said, and I withdraw my reservation.

The SPEAKER pro tempore (Mr. HOLIFIELD). Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

AMENDMENTS TO THE FOOD STAMP ACT OF 1964

Mr. POAGE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 18582) to amend the Food Stamp Act of 1964, as amended.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas.

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 consideration of the bill, H.R. 18582, with Mr. MATSUNAGA in the chair.

The Clerk read the title of the bill.

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

The CHAIRMAN. Under the rule, the gentleman from Texas (Mr. POAGE) will be recognized for 1 hour, and the gentleman from Oklahoma (Mr. BELCHER) will be recognized for 1 hour.

The Chair recognizes the gentleman from Texas.

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

The CHAIRMAN. The gentleman is recognized.

Mr. POAGE. Mr. Chairman, the food stamp legislation which our committee presents this afternoon satisfies neither the extreme liberals nor the extreme conservatives, but it seriously attempts to follow a middle course. I believe that this should commend it to those who are more interested in maintaining a program of real value to the actual needy than they are in competing with Members of the other body for a reputation of generosity regardless of cost and regardless of need.

On the other hand, it should, I believe, at the same time recommend itself to those who are concerned with the fantastic expenditures proposed by the other body and who are concerned with requiring some reasonable effort on the part of the beneficiaries of the program in their own behalf.

The Department of Agriculture has endorsed the bill and calls attention to some of the provisions of the committee bill which are clearly intended to and do liberalize the existing law. Here are the provisions with which the Department is especially pleased:

A food stamp allotment sufficient to purchase a nutritionally adequate diet;

A provision ensuring that participants pay no more than 30 percent of income for their stamp allotment;

Uniform national eligibility standards;

Simultaneous distribution of food stamps and commodities in local areas requesting both programs;

A provision allowing participating families to purchase a portion of their monthly stamp allotment at a proportionate reduction in cost;

Language directing participating States to engage in outreach activities to inform low-income households of program availability;

A fair hearing procedure for aggrieved program participants; and

A checkoff procedure whereby welfare recipients, who are enrolled in the stamp program, may request that stamp payments be deducted from their welfare checks.

The bill actually goes further than the Department of Agriculture suggests in several respects. It would enable elderly persons who are eligible for the program and who are shut-ins to buy meals, not merely groceries, from nonprofit groups. It would permit the poor in Puerto Rico, the Virgin Islands, and Guam to participate. It would authorize the issuance of stamps weekly. It lays the preference for a food stamp program as a substitute for the commodity distribution program.

Then on the side of fiscal responsibility it would require able-bodied adults to register for and accept work as a condition of eligibility. It would require accounting and verification of the incomes of college students utilizing the program, and it would preclude the issuance of stamps to students who are taken as a dependent for tax purposes.

It would leave the matter of financing to the Appropriations Committee, but it would require no more than $1½ billion to fund this bill. While this is about twice what the program has been costing, it is only about one-quarter of what the other body proposes to spend, or about one-third of what would be required to finance the substitute for this bill which will be offered by the gentleman from Washington (Mr. FOLEY) and the gentleman from Minnesota (Mr. QUIE).

The bill contains at least three basic provisions which our committee thinks to be of far-reaching importance. In the first place the committee has approved the philosophy that there should be some token contribution on the part of the States. We believe that such a require-

ment will result in a very substantial saving through a closer check on what is admittedly a very loosely supervised program. When local people have even a small amount of their own money invested in a program, they always give far greater attention to its administration. The committee bill only requires the States to contribute 2½ percent of the cost of the program for the first year. That is less than what most of the States will make out of the program. Every State with a sales tax on food makes a clear profit out of this program because these sales are taxed just like all other sales.

The committee bill would raise the State contribution at a rate of 2½ percent per year until it reaches the level of the State contribution to interstate highways. If in fact 10 percent is going to be an intolerable burden on the States, why do not we find some of them declining their interstate highway allocations? As far as I know, no State has ever done that. If this food stamp program is as good as I think it is, or as good as those who feel we have not gone far enough say it is, no State is going to fail to make this meager contribution. To give the States the program with no local contribution is a direct invitation to fraud and abuse.

The committee bill would require the States to pay a very small part of the cost of the program. The food stamp program is the only program with which we are acquainted which gives the States authority for administering and establishing standards without requiring any cash involvement. The committee believes that the States, if they have a financial stake in the operation of the program, will be more vigilant with respect to its administration, and if this end is achieved we hope that the public outcry which proved the death knell for a food stamp program in the 1940's can be avoided.

In the next place, we try to maintain as much of the self respect of the beneficiaries as possible by requiring that the recipients of this program make some slight semblance of a token contribution. Everybody in the United States is spending something for food. It may be that the expenditure comes from public charity but in the absence of a gift program there must be some expenditure by everyone who eats. The original philosophy of the food stamp program was that it was to be a supplement to what the family was already buying, and that each family would continue to spend what they had been spending for food, and that the Government would supplement their diet through the use of food stamps. The Department of Agriculture has for all practical purposes already abandoned this sound principle and in an effort to compromise with those who want the Government to assume full responsibility for the feeding of our people, the committee bill has confirmed what the Department is already doing. The committee has, therefore, seen fit to require that there be a minimum of at least 50 cents per month paid by the beneficiary. This 50 cents can come from local relief or from private charities, but we still try to maintain the philosophy that the individual is making some slight contribution for his own grocery bill.

Finally, and I think most important, the committee bill requires some kind of work on the part of the able-bodied recipients. To me this is the most important provision in this bill and it is one without which I could not support the bill, nor do I believe a great majority of our committee could support it without this provision. The provision is known as the Poage amendment. It is to be found on page 6 of the bill, and reads:

(c) Notwithstanding any other provisions of law, the Secretary shall include in the uniform national standards of eligibility to be prescribed under subsection (b) of this section a provision that each State agency shall provide that a household shall not be eligible for assistance under this Act if it includes an able-bodied adult person between the ages of eighteen and sixty-five (except mothers or other members of the household who have the responsibility of care of dependent children or of incapacitated adults or who are bona fide students in any accredited school or training program) who either (a) fails to register for employment at a State or Federal employment office, or, when impractical, at such other appropriate State or Federal office designated by the Secretary, or (b) has refused to accept employment or public work at not less than the higher of State or Federal minimum wage or the wage established by a valid regulation of any agency of the Federal Government authorized by existing law to establish such regulation. Refusal to work at a struck plant or site for the duration of a strike shall not be deemed to be a refusal to accept employment.

In short, this simply requires that if a family is going to draw food stamps, the able-bodied adult members who are responsible for feeding the family must accept a job if offered to them at as much as the minimum wage. It specifically provides that no one should be forced to become a strikebreaker, but it does require those who ask for public help should be willing to help themselves. To me this is of overriding importance. As I see it, if we abandon this principle, we will have turned our back on the experience of all history, which has been to the effect that there are those in all societies who will not work unless they are compelled to in order to secure the necessities of life.

I believe, and practically all of the members of our committee believe, that the Government should help those who need help, and we believe that the food stamp program if properly administered can be a good way to provide that help, but we also firmly believe that the beneficiaries of a Government-financed program should also help themselves—that so long as a job is available which provides the opportunity to work for his own food no man should expect some other man to perform this work for him and hand the food over to him through tax payments without any effort on the part of the beneficiary. In short, we believe in help for those who cannot work, but we would provide nothing for those who can but will not work.

This, my colleagues, is the crux of this bill. It is as old as the third chapter of the Book of Genesis, verse 19, which reads:

In the sweat of thy face shalt thou eat bread.

It is as sound today as it was in the time of Adam. If you believe that we should tax the people who are willing to work to provide food for the able-bodied who simply refuse to work, then I think you should vote against this bill, because that is not the philosophy contained in the committee bill.

I recognize that there will be amendments offered both to greatly liberalize this bill on the one hand, and to restrict its operations on the other. I realize that some of our Members have made promises to support vastly liberalized programs with no requirement that the recipients do what they can. I would not ask any of my colleagues to repudiate their promises, but I would suggest that those of you who are interested in securing a helpful program on a sound and responsible basis should give consideration to passing this bill without extreme amendments in either direction.

Mr. BELCHER. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan (Mr. HUTCHINSON).

Mr. HUTCHINSON. Mr. Chairman, there is a great deal of dissatisfaction with the food stamp program in my part of Michigan. Since last June I have received 669 letters and petitions on food stamps from my district, and all of them are opposed to the program as it now operates. I pulled a few of them from my files.

Here is one from a fruit farmer's wife. She writes:

We had a hired man who was supposed to pick peaches. He stayed in our cabin and did work a few days and then told us his food stamps were in. He bragged about how he could buy $28 of stamps for 50 cents, and that he claimed he had a wife and child here. He told us his wife was in a mental hospital and who knows where his child is, but not here. He forged his wife's signature with his left hand and wrote his with his right and collected $72 for $1.50. So after he got that he no longer worked and was having his buddies in, selling the stamps. My husband told him to leave.

This one is from a bank employee. In Michigan the banks handle food stamps. This letter reads:

It infuriates me to see recipients of these coupons turn right around and purchase Series E bonds, or pay their cable vision service charge, or walk down the street to the beauty parlor, or the beer parlor, and have two shopping carts at the food market, one for allowed foods and the other for unallowed items such as cigarettes and alcoholic beverages. I urge more thorough investigations of each applicant by the social service case worker.

And here's one from a checker at a supermarket. She writes:

These strikers are the ones that really burn me. Some buy $100 or more meat to put in their freezer, using food stamps. Then they use money to buy lots of beer and cigarettes. I can't fill my freezer like that. I have had some people tell me they don't have to touch their savings with food stamps. I believe in helping the poor but not the strikers. They knew what they were doing when they voted to strike. I don't think the rest of the people should have to pay for their food. They pull tricks, too. I caught one and she probably does it all over. The mother came down and bought a lot of groceries, paying food stamps. I waited on her. She wanted cigarettes, but I told her I could not

sell them to her for stamps. Then about fifteen minutes later I saw her daughter go through another checker. I went over to the other checker to ask what went on. She had brought back groceries, saying they had bought the wrong things and wanted a refund. Then she turned around and bought a carton of cigarettes and took the rest of the money. Even my customers are mad. All day I hear them say, I guess I'll go over and get food stamps. Something has to be done. It is just not fair.

And still another. A constituent writes that—

A neighbor who netted $14,000 on a construction job and was given $100 a week unemployment was given food stamps last winter. He owns his own home, has a car and truck and two snowmobiles. He asked for the stamps as a joke and was surprised to get them. A friend was offered $50 worth of stamps for $20 by a migrant. A woman who has been getting her groceries with stamps was in the local post office mailing home a $2000 money order. We protest as taxpayers the give-away that may have been set up to do some good but are becoming nothing but a racket. We know of farmers who have been forced to lie about the migrants' wages or they are threatened that their crop will remain on the trees. A father demanded an alarm clock for food stamps so they would know when to feed the baby. His demand was granted after a phone call to the local social services office.

Here's one from an ADC mother:

I am writing concerning the misuse of our Federal Food Stamp Program. I noticed in the paper where a striking GM employee was able to obtain $50 in food stamps for $7.50. This seems to me to be unfair. They are unemployed at the choice of themselves and their labor unions, and I can see no reason for them to receive these stamps as they could be working instead of raising the cost of living for everyone. I am a recipient of aid for dependent children, not from choice but from necessity, and I am allowed $88 a month worth of stamps which I have to pay $44 for. The difference between my family size and his was one person, yet I pay a considerable amount more for my stamps than he did. How can this be allowed?

It seems to me these people should not be given stamps when they choose to leave their employment for any reason that could be prevented. I do not know if my complaint will have any bearing but I do know as a taxpayer I cannot see this abuse go unnoticed.

And finally, here is a man who points out that he has a family of four and says he lives comfortably on an income of less than $10,000 annually. He says he has friends and knows of families where the husband and wife both work and have incomes twice his own, yet due to strikes and layoffs they are able to buy food stamps. They all have nice homes, good cars, snowmobiles, and all kinds of luxuries, but they have no savings. He says his job is seasonal, but he cannot buy food stamps when he is not working because he plans ahead and has savings for those times. I resent my taxes going to support people who are able to support themselves.

Mr. Chairman, this food stamp bill we are now considering would require persons to register for employment in order to receive stamps. But employment does not seem to be a requisite for eligibility. It is income in relation to family size that counts. A man can be employed full time and still, if his income in relation to his family is low enough, he can supplement his food budget with stamps. The letters I receive indicate that migrants, at least, can come into an area and before they start a job can apply for food stamps. They can apparently leave the welfare office and go directly to work in the orchards and fields. The fact that they have a job waiting for them is no obstacle. And strikers, is it contemplated that a man on strike must register for work under this bill in order to comply with it? I am not sure, Mr. Chairman, that attractive as this register-for-work provisions might be in this bill at first blush that it means much.

This bill proposes that the Secretary of Agriculture, in consultation with the Secretary of Health, Education, and Welfare, shall promulgate uniform standards for eligibility for food stamps. At the present time each State sets its own eligibility standards. While the Secretary will establish the uniform standards under this bill, administration of the act will still be left to the States. The people in my district are demanding investigations into the leniency in the distribution of food stamps. They are asking that the whole program be tightened up. I received a petition with 589 signers requesting a review of leniency in the distribution of food stamps to migrants, whereas permanent residents in need and deserving of supplementary aid are refused or delayed. The question in my mind is whether the promulgation of national standards will do anything for the administration of the program back where the people are. In spite of what many people in Michigan think, Michigan is not the most generous State in the food stamp program. Will the adoption of national uniform standards accept the present standards of the most generous State, thereby making the Michigan program even more costly?

The bill also directs that eventually each State will pay 10 percent of the cost of the food stamp program. The idea is that, if the States share in the cost their administration of the program will be tighter. But, Mr. Chairman, be it remembered that 2 or 3 years ago Congress passed an amendment to the ADC welfare program which directed the States to pay a share of some costs they had not been burdened with. And it will be recalled that provision never did get into effect. I have a telegram from the chairman and ranking minority member of the Appropriations Committee of the Michigan Senate. They have objected strongly to the provision of this bill which would saddle the States with a share of the cost of the food stamp program. They say simply that Michigan has not the money to put into it. And according to reports, eight of the nine largest States are in fiscal crisis at the present time. Michigan is one of them.

I am inclined to think, Mr. Chairman, that the bill we are now considering will need considerable changes in the tightening up demanded by the people back home is to be accomplished. The whole food stamp program should be investigated.

Mrs. SULLIVAN. Mr. Chairman, would the gentleman yield for a question?

Mr. HUTCHINSON. I am happy to yield to the distinguished gentlewoman from Missouri.

Mrs. SULLIVAN. The gentleman from Michigan has listed a number of instances which represent Federal crimes in the misuse of food stamps. Have the gentleman's constituents who saw these crimes committed reported them to the proper authorities?

Mr. HUTCHINSON. I do not know that they have. I have not pursued that matter.

The gentlewoman I am sure knows the reluctance of ordinary citizens to involve themselves with the law.

Mrs. SULLIVAN. I realize that.

Mr. HUTCHINSON. But they are crimes, they are abuses.

Mrs. SULLIVAN. They are Federal crimes. I have had this brought up to me in meeting after meeting, including one recently with some women bankers who cited individual instances they had seen of illegal activity, and I could not help but say to them "if you do not report these crimes—incidents that you know to be a fact—to the proper enforcement authorities, then you are as guilty as the people who are committing them; because when you see a crime occur you are duty bound as a citizen to report it and to try to get it corrected by the proper authorities, and punishment meted out."

Mr. HUTCHINSON. I would agree with the gentlewoman, but I would also observe that there are a good many people in the world nowadays who rather think that part of the function of the Congress is to investigate these things as well, and I seriously say that the committee could do well to undertake an investigation of the abuses of this program throughout the country. I cannot believe that all the abuses are only in my own district.

Mrs. SULLIVAN. No—I thoroughly agree, if the gentleman will yield further. I concur in what the gentleman says about crimes having been committed. That is what kills many programs that have worthwhile purposes, good programs if they are widely abused without punishment or enforcement. And if the Government itself does not act quickly to correct these abuses then we can lose the support and good will of all of the people for programs to help hungry or undernourished people to obtain an adequate diet, crimes should be punished, and people who see them occur must become "involved" enough to report wrongdoing when they see it happen. We cannot enforce the law here—telling your Congressman that "someone" violated the law is not the same as reporting the criminal to the authorities.

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

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

Mr. POAGE. Mr. Chairman, I just want to call the attention of the gentlewoman from Missouri, and the attention of the gentleman from Michigan, to the fact that this committee has not been asleep. The committee has investigated

these matters, and we have printed a report on the field investigations of the operations of the Food Stamp Act of 1964—the investigation was made in 1970. The report is available to all Members, and in it we do point out exactly the kind of things the gentleman from Michigan has been referring to; things which are taking place, and we have brought this to the attention of the Department of Agriculture. We are advised that that Department has referred a great many of these cases to the Department of Justice. I know of no action by that agency, but if there has been any neglect it has certainly been on the part of the Justice Department, not on the part of the committee.

Mr. HUTCHINSON. I sincerely hope they will do something about it.

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

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

Mr. HALL. Mr. Chairman, I appreciate the gentleman yielding. I just want to add to the facts that he has given to the Congress, as I have in my hand a letter from the president of a department store in my hometown who calls attention to the fact that there has been a 100-percent increase in applications for school lunches since they were invited to apply, based on the criteria established by the Department of Agriculture, for food stamp plans in conjunction with the Department of Health, Education, and Welfare. I have the application here. This is a revised school district serving 150,000 people, and they equate the family size according to the annual family income, as qualification for free school lunches.

This outstanding merchant says, among other things:

They aren't even encouraged to pay whatever they might be able to pay. Why not leave them a little dignity and self-respect and encourage them to pay something instead of encouraging them to expect a handout.

* * * * *

Try to do something about the many, many handouts that are breaking our backs and in many cases are not needed.

Mr. Chairman, I will ask permission when the proper time comes to put in the RECORD this letter, and the other material I referred to.

The material referred to follows:

Most important is the fact that the American people are being invited to apply for a handout rather than encouraged to help themselves. I hear that the applications for free lunches increased 100% after this letter went out and now they are considering raising the price of the lunch to those who can pay. Note that the letter says "families may find it difficult to pay the full price—lunches are provided free to children who are unable to pay the full price." They aren't even encouraged to pay whatever they might be able to pay. Why not leave them a little dignity and self-respect and encourage them to pay something instead of encouraging them to expect a hand out.

No wonder we are going broke all over the country. And I am sorry but so far I am unable to swallow the President's new welfare program. We are just encouraging more to become dependent on the government and not themselves.

I guess I have said enough though there are more aspects to this thing such as the family that a friend of ours was trying to help because they were cold and had no heat so he was providing and installing a floor furnace for them but they could afford a large console color TV set and the basement was full of "commodity" groceries.

THE SCHOOL DISTRICT R-12,
ADMINISTRATIVE SERVICE CENTER,
September 18, 1970.

Letter To All Parents

This letter is being sent to all parents of children enrolled in The School District R-12, in compliance with certain rules and regulations established by the *U.S. Department of Agriculture* and the State Department of Education.

The school district serves nutritionally balanced lunches every full school day as a part of its regular school lunch program for the regular low price of 35 cents in the elementary schools and 40 cents in the secondary schools. Since some families may find it difficult to pay the full price for their child's lunch, lunches are provided free to children who are unable to pay the full price. This program is administered for the school district by the Underprivileged School Children's Fund Board under policies adopted by the Board of Education.

The following nationally uniform income scale, as announced by the *Secretary of Agriculture,* has been adopted for use in determining which children are eligible to receive free lunches:

Family size:	*Annual family Income*
1	$1,920
2	2,520
3	3,120
4	3,720
5	4,270
6	4,820
7	5,320
8	5,820

Add $450 for each additional family member.

Unusual circumstances, such as illness or death in the family, temporary disability and seasonal unemployment, are also taken into account when determining eligibility.

Children receiving free meals will be treated in the same manner as paying students. Every practical effort will be made to insure that the children do not know who is paying and who is receiving a free meal.

An application form is enclosed. Additional forms are available in each school office. Parents who feel that their children are eligible *are urged* to apply at each child's school, if more than one school is involved. If an application is denied, the parents will be informed that they *may file an appeal* for an adjustment in the decision of the school official with respect to such application.

The school district's complete policy concerning free meals is available for review in the office of *Mr. Joe Cain, Director of Pupil Services,* located at the *Administrative Service Center, 940 North Jefferson Avenue, Springfield.*

APPLICATION FOR FREE MEALS

Name of School_____

Address of School_____

I hereby make application for free meals, under the National School Lunch Program, for the students listed below who are my children or my wards:

Child's Name, Age, Grade_____

Household's annual gross income for all sources including wages, Public Assistance payments, Social Security, etc.? (Any change in income must be reported immediately to school officials.)

Total number of family members living at home?

Number of children in family who attend school?

(Check one in answer to each of the following questions)

1. I am receiving Public Assistance payments —Yes; —No

2. I am participating in the Food Stamp Program —Yes; —No

3. I am participating in the Commodity Distribution Program —Yes; —No

4. Does any special situation exist which makes the family expenses greater than normal? —Yes; —No

If the answer to question 4 immediately above is yes, please explain situation.

I hereby certify that the information here provided is true and correct.

(Signature of Parent or Guardian)

(Address of Applicant)

(Telephone Number)

Mr. POAGE. Mr. Chairman, I yield 6 minutes to the gentlewoman from Missouri (Mrs. SULLIVAN).

Mrs. SULLIVAN. Mr. Chairman, I appreciate the kindness of the gentleman from Texas (Mr. POAGE), the chairman of the Committee on Agriculture, in yielding this time to me, because he knows that whenever we have a food stamp bill on the floor from his committee, it is not the kind of bill I think should pass. The gentleman from Texas always puts up a valiant and loyal battle for whatever food stamp legislation is recommended by his committee—he defends it as he would defend the Alamo—and then we have to beat him and his committee on the floor, and substitute something far better than the committee bill; and I trust that will happen again this time, too. Unfortunately, however, what we have passed here on food stamps has not always survived in conference—when some of the Members of the other body who have since decried hunger in this country had joined with our House conferees to torpedo what the House had done to open-end the authorization for funds. That is what happened just 2 years ago when the House passed such an authorization for the food stamp program only to be confronted with a conference report limiting the authorization for funds only to the end of calendar 1970. So here we are again—at the last moment once again—down to the wire—with the program imminently about to expire in a few weeks unless legislation is passed to authorize further appropriations.

Every time I listen to a debate here on a food stamp bill, I am almost tempted to hang my head in shame, that a program I fought so hard to enact into law over such a long period of time—ever since my first term in Congress back in 1954—is such a dreadful, awful thing.

It has not solved all of our social problems. It has not made every poor family in the country self-sufficient. It has not solved the housing shortage. It has not even given every citizen as much food as he could eat.

Some of the strongest criticisms of the program's failures to solve all social problems have been made by individuals who voted "no" in 1957, "no" in 1958, "no" in 1959, "no" in 1964, "no" in 1967, "no" in 1968. In 1969, the Nixon administration first indicated it was considering doing away with the program entirely, and then asked for funds to expand it tremendously. I am delighted that it chose the latter alternative, and

that so many of the Members here who had been voting against the program for so many years now see in it a way to perform miracles of social reform.

All I ever wanted the program to do was to assure an adequate diet to everyone who cannot afford to buy one. That is all. The only reason a food stamp program was politically feasible in this country was that we have raised such a vast abundance of food—thanks to Government subsidies and supports—that we have to store it and give it away all over the world. Under the food stamp program we are making it possible for poor American families to enjoy some of this agricultural abundance resulting from the billions of dollars a year in subsidies paid by all taxpayers, including taxes paid by the poor.

Note, Mr. Chairman, my reference to the circumstances which make a food stamp program "politically feasible." Once you load this program down with so much social significance that it is supposed to meet and solve all of our poverty problems in this country—and that is what some idealistic people want to do—this program is going to die from lack of public support from the middle income families which pay their own way, and most of the taxes, for the farmer subsidies and the food stamp subsidies as well. You cannot expect a food assistance program to assure better diets for the very poor than can be afforded and enjoyed by those who buy all of their own food, and pay for the subsidies, too.

Yet that is what the Senate has proposed to do on this legislation—it has loved the food stamp program to death.

The House Agriculture Committee has never been in any danger of committing that same mistake. It treats this program like dirt—a boil, a fester, an abomination which must be tolerated as the price for getting urban cooperation in the House on farm subsidy legislation. So each time the committee grudgingly reports out a food stamp bill as part of a package of legislation which also includes farm price supports, it adds a twist here and a gimmick there intended to destroy the food stamp program.

I oppose the committee bill. Since I am not on the committee which has jurisdiction, I will not attempt to seize the legislative initiative away from committee members who have proposed their own substitute bill, which is, I might acknowledge, far, far better than the committee bill but not, in my opinion, good enough. The substitute is not good enough in my opinion because I feel it weakens the present law in some respects, and attempts to write detailed administrative regulations into the law. But since it is so obviously preferable to the hostile committee bill, I will certainly vote for the substitute.

My own approach at this point would have been to pass a simple extension of the authorization for appropriations—an open-ended one such as we voted for in 1968—and send that to the Senate and say, "Look, it is now mid-December; this program was to die on December 31, but the Appropriations Committee gave it a 1-month reprieve to January 31; let us now pass a simple extension of the authorization for funds so that the $1,420,000,000 provided in the agricultural appropriations bill for this fiscal year can be spent, and we can then argue, next year, over how to save the world." I think the Senate leaders would buy that approach to the food stamp crisis at this point. Perhaps not. But if we send the committee bill to conference, we may never see it again, and have only a few days in January to save the program from disaster.

Mr. BELCHER. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota (Mr. ZWACH).

Mr. ZWACH. Mr. Chairman, I rise in general support of H.R. 18582, a bill to amend the Food Stamp Act of 1964.

In the past 2 years tremendous progress has been made in meeting the food needs of the poor.

A family food program—either food stamps or commodity distribution—is now operating virtually nationwide. Only 10 small counties—whose total population represents less than 1 percent of the people in this country—are without plans for such a program. Even as late as January of this year, there were 279 counties that had no such commitment to operate a food program.

These family feeding programs are now reaching over 12 million needy persons—a record high.

Last December, major modifications were made in the food stamp program. Families were required to pay less for the stamps and received more bonus stamps. As a result, the monthly issuance of bonus stamps rose from $24.5 million in December 1969 to about $125.8 million in October 1970.

The number of children receiving free and reduced-price lunches under the national school lunch program reached a record high of 5.3 million children in October. This was 23-percent higher than in October of 1969 and further increases are expected as the provisions of Public Law 91-248 become fully operative in thousands of local schools.

The 1971 Appropriations Act for the Department of Agriculture, which was approved last week, contained record high funding for domestic food programs.

The modifications made in the food stamp program by Secretary Hardin last December were administrative changes that could be made within existing law. They were designed to reach more needy people and they did. Currently, 8.8 million people are receiving food stamp benefits, compared to 3.6 million last December.

Those modifications revitalized the program but other changes recommended by Secretary Hardin required legislative action.

The bill we are now considering will:

Direct the Secretary of Agriculture to establish uniform national eligibility standards for the program.

The law now requires State-by-State eligibility standards geared to each State's welfare standards. Thus, where welfare standards are low, food stamp standards are low. This inequity should be removed so that the program is available to the poor without regard to the State in which they happen to reside.

Expand local options for the concurrent operation of food stamps and commodity distribution.

This change will be responsive to local needs and special circumstances. A poor family would elect to participate in one program or the other—not both.

Allow participating families to elect to participate at less than the full subsidy amount.

This would increase program flexibility for the families. The reduced benefits would require a correspondingly lower investment.

Require participating States to undertake outreach efforts to inform eligible families about the program.

This is a necessary action if the stamp program is to reach those of the poor who need a dietary supplement.

Provide welfare families with an opportunity to purchase their stamps under a voluntary "check off" system.

This will facilitate the participation of welfare families. The system is a voluntary one, with the welfare family itself making the decision if such a system best meets its needs.

Provide that no family will be required to pay more than 30 percent of its income for a nutritionally adequate diet.

Most families would pay significantly less than 30 percent of income for this stamp allotment.

States would be required to operate a fair hearing procedure for its households.

This would provide a method for an objective review for those aggrieved program participants who felt they were not receiving the benefits authorized by law.

These program changes will do much to improve an already much improved stamp program. They are practical and realistic changes. They represent another significant action to eliminate poverty-related malnutrition.

Those modifications revitalized the program, but other changes recommended by the Secretary required legislative action. The bill now before you takes up some of those legislative changes. Some of them have already been discussed. But let me say this, that it directs the Secretary of HEW to make uniform national eligibility standards and I would like to say to the gentleman from Michigan and the gentlewoman from Missouri that in this area particularly, if we do not come to grips with the problem of giving this assistance only to those in need, we are really in trouble with our food stamp program.

The food stamp program is on the march. It is improving.

I believe the statement of the gentlewoman from Missouri that a simple extension at this late hour might be in order. There is one provision in this bill, Mr. Chairman, that I do not support. That is the provision for a State contribution. I believe at this time, with a whole reevaluation of the work-fare program, that this ought to be eliminated either in the committee or in the conference.

Mr. POAGE. Mr. Chairman, I yield 6 minutes to the gentleman from Montana (Mr. MELCHER).

Mr. MELCHER. Mr. Chairman, although each individual is susceptible to hunger, because of an abundance of food

only a small percentage of Americans know hunger.

When it does occur, if ever, for the average American, hunger is an accidental happening of a temporary nature. I had an experience of this kind during World War II when supplies were temporarily delayed and K rations ran out. It was of a minor and very temporary nature, but I nevertheless experienced the pangs of hunger.

While most of us in America readily admit to packing too much weight on our frames, it is tragic that in this country where nourishing food is cheap, abundant, and accessible, over 20 million Americans are victims of chronic and prolonged hunger, or serious malnutrition.

We have the opportunity to do the decent and right thing for those Americans today.

We have the opportunity to improve a program that has had considerable success; to broaden and simplify the food stamp program.

Our danger at the present time is that we may hesitate and fail to move far enough to completely eliminate hunger pockets in America. While testimony before the committee, observations made by committee members and by thousands of Americans working with the hungry have clearly indicated the depth of the country's problem, there is danger of our repeating a common failing and refusing to extend ourselves to the degree necessary to reach the goal of adequate nutrition for all Americans.

To accomplish our purpose we need to:

First, provide access to food stamps in all locations where there is need in America, without obstacles caused by distance or time.

Second, simplify the procedure to apply for and to receive food stamps without delay or frustration.

Third, preserve the dignity of the individual in the procedure of distribution and the use of the stamps.

Fourth, accept 35 cents per meal as the current minimum cost of food at the retail level.

Fifth, provide instructions to family heads as well as individuals living alone as to proper nutrition which is an essential part of our goal of ending hunger.

Sixth, recognize the special problems of the elderly which deserve a three-fold solution:

a. Use of food stamps with dignity.

b. Companionship during meals.

c. Overcoming the peculiar geriatric problem when the effort to secure and prepare nourishing food discourages and keeps them from having adequate and enjoyable nourishment.

Seventh, disavow any attempt to place the costs of the food stamp program on States at a time when the States are struggling to meet their own revenue needs.

Eighth, prevent abuse of the program by adequate supervision and by punishment of fraud and graft.

While the committee bill meets some of the needs I have outlined, it fails to move far enough on the following specific points—

First, simplifying the procedure for distributing and making the stamps easily accessible;

Second, recognizing 35 cents per meal as a minimum cost of food at present retail prices;

Third, meeting the special problems of the elderly;

Fourth, providing full Federal funding, placing part of the costs of the food stamps on the States is totally unfeasible at this time; and

Fifth, provisions for the prevention of fraud and graft in the use of food stamps.

Because of these shortcomings I find myself making a judgment in favor of the Foley-Quie substitute over the committee bill, I welcome the substitute as an attempt by the House to more broadly meet the needs in solving America's hunger problem.

I shall support the substitute bill. I do so with a belief that we will move this country closer to the goal that I spoke of at the outset.

We shall be attempting to share the abundance of low cost, nourishing food which, thanks to divine providence, we are able to produce in such quantity that none in America need know hunger.

We have a moral obligation to prevent hunger in our land.

Beyond discharging that very basic human obligation, however, a truly adequate food stamp program can give our Nation strength in several ways.

It will strengthen our economy in an area where it is needed—demand for agricultural products.

It will literally strengthen our citizenry, eliminating a great deal of illness, lethargy and the lifelong impairments of undernourishment in early childhood.

And it will strengthen the image of our democracy around the world if we demonstrate that our system of government can end the paradox of hunger in a land of plenty.

Mr. BELCHER. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania, Mr. GOODLING.

Mr. GOODLING. Mr. Chairman, I thank the gentleman from Oklahoma for yielding.

We, as legislators, day after day are required to pass judgment upon affairs that reach deeply into the lives of the American citizens we represent here in this House of Representatives.

Each of us, as human beings, stand in strong support of those programs that are designed to improve the lot of our fellow man. Each of us, as legislators, have tried to cultivate a talent for dealing realistically with legislation that is before us, endeavoring to separate the emotional chaff from the wheat of practicality. An amendment I shall introduce to this Chamber today offers a supreme test for this talent, for it has an emotional base—it is concerned with human beings who are out of work! My amendment would prohibit the issuance of Federal food stamps to those who are engaged in strikes.

Many words will be spoken here today in support of Federal food stamps for strikers, so let me explain my reasons for objecting to this concept and for introducing my amendment to forbid it.

I object to such use of food stamps for two principal reasons. First, it is a doctrine basic to our American system that the Federal Government should not play favorites. Uncle Sam is obligated to treat all his citizens alike. Under this program where food stamps are being handed out to strikers, the Federal Government is abandoning the theme of equal treatment and is being partial to the striker over the employer. In short, the Federal Government, through this exercise, is taking sides. This raises the serious question of whether or not General Motors should not also expect special treatment from the Federal Government for any losses it suffered as a result of the recent strike, something like tax credits or other tax considerations.

Second, we must remember that there is one person footing the bill for the food stamp program, and that is the taxpayer. Should one taxpayer who is, by choice, gainfully employed be expected to subsidize another taxpayer who is, by choice, unemployed? I have received letters from taxpayers all over the country who strenuously object to the use of food stamps by strikers, one of which stated: "They say the workers in Detroit need help because their income has stopped. Well, that's too bad. Let them go back to work."

Over and above this, such use of food stamps can act to prolong strikes and, in the process, visit an economic negative on our total commercial structure. For instance, one worker-striker in the GM strike paid $18 and received stamps with which he bought $162 worth of groceries, and he was prompted to say: "They can't starve us out now that we're getting these food stamps. We can go on forever."

Such a use of food stamps also shatters the concept of collective bargaining, where each party to a labor dispute is supposed to use his own judgment in effecting a solution of the problem. Collective bargaining becomes "protective bargaining" under this arrangement.

In summary, the food stamp program has become blown up and out of shape, as I have feared it might. Giving food stamps to strikers is, in my mind, a distortion of the food stamp program, and I think it is incumbent on us, as legislators, to right this wrong. We should exert every effort possible to restore this program to its proper "assistance to the needy" form, which was the program's original concept.

Leading newspapers and organizations all over the United States have reported on this use of food stamps by strikers during the GM strike, and at the proper time I shall ask unanimous consent to insert extraneous material relevant to my remarks.

I include the following editorials and letters which I have previously referred to:

[From the Wall Street Journal, Sept. 30, 1970]

STRIKING UAW MEN FILE FOR FOOD STAMPS AND CREATE LOGJAMS—PROCESSING DELAYS AND GIGANTIC PAPER BACKLOGS RESULT, BUT WELFARE AIDES SEE SPEED-UP

DETROIT.—Welfare officials here and elsewhere throughout the country where General Motors Corp. has production facilities

report they have been overrun by striking United Auto Workers union members seeking Federal food stamps.

A spokesman for the U.S. Department of Agriculture, which funds the food stamp program, said there is no danger of running out of food stamps. But state welfare officials, who administer the program, say that the flood of strikers seeking stamps has caused temporary delays in processing applications and giant paper-work backlogs.

In Detroit, for example, the Wayne County Department of Social Services has set up two temporary food stamp centers for striking auto workers, but so far it has been unable to handle the hundreds of workers who have been lining up to get into the program.

Officials here and elsewhere, however, say they are hopeful they will soon be able to process all of these strikers' applications.

Most GM strikers are receiving less than $50 a week in benefits from the union's strike fund. And many of them are counting on food stamps to feed their families.

In other labor developments, GM said it recalled 2,221 previously furloughed United Auto Workers members at three nonstruck facilities, while furloughing 1,490 additional union members at four other nonstruck facilities.

The new recalls and layoffs bring total layoffs at GM's 26 nonstruck plants to 36,390 since the union struck the bulk of the auto maker's facilities Sept. 15. Another 349,910 UAW members are striking 146 GM facilities in the U.S. and Canada.

In still another development, American Motors Corp. said it would resume bargaining with the UAW on a new labor agreement next Tuesday in Green Bay, Wis. AMC's old contract expires Oct. 15.

HERE'S THE ISSUE: FOOD STAMPS FOR STRIKERS

How much did you contribute to support the strikers against General Motors last year? To the strikers who closed General Electric last year? To the rubber workers the year before?

If your answer is "nothing", you may have to guess again.

In the last two years, there has been a massive growth in tax-supported economic aid to striking employees. Unions have learned that they can tap the Treasury as a source of strike funds. And they are continually improving the technique.

The question of whether tax funds should be used to support strikers is arising again this year in debate over extension and expansion of the Food Stamp program. Senator Thurmond (R-S.C.), for example, introduced on November 17, a new bill (S. 4505) that would forbid the distribution of food stamps to any household where the head of the household is engaged in a labor strike. But so far, the talk has largely been desultory. Few of our law-makers seem eager to take sides in such a highly-emotional issue.

The House Agriculture Committee, for example, refused to write any sanction into the Food Stamp authorization bill (H.R. 18582) on the grounds that "it did not want to take sides" in a labor dispute.

Because the refusal to forbid stamps to strikers, obviously, is "taking sides" from a practical standpoint, many people believe that sooner or later, the American people—and its Congress—will have to face the problem, if we wish the principle of collective bargaining to survive as the cornerstone of our Federal labor policy.

Lest this be dismissed as mere employer propaganda it is useful to look at the dimensions of what is happening and the principles that are involved.

A multitude of assistance programs for the poor and unemployed exist today.

The current problem arises because the Federal Government and some state and local governments provide workers with strike funds through the distribution of these benefits.

Back in 1960, a half-million steelworkers were able to hold out during the 116-day strike, because about $45 million in relief aid and unemployment benefits was obtained from public sources.

I. W. Abel, then Secretary-Treasurer of the Steelworkers Union, said flatly that the aid "provided the food, shelter, and welfare services that made the strike endurable. The sum exceeded by far the amount that the union poured into the districts and the locals."

ORGANIZED EFFORT

James D. Compton, chairman of the steering Committee, AFL–CIO Coordinated Bargaining Committee, reported in *The American Federationist* on "Victory at GE: How It Was Done." He said:

"While the (news) papers noted accurately that many strikers had laid aside their own personal strike funds and that strike donations from other workers were of enormous help, they largely overlooked one of the key contributions to the strike's success—that of the AFL–CIO Department of Community Services and its hundreds of local strike committees, which . . . showed the way in drawing upon the resources of Federal, State, and local welfare agencies . . . in procuring food and financial aid for the strikers and their families."

What this means in hard dollars-and-cents is illustrated by Leo Perlis, who headed those Community Services. He said the strikers received as much or more from public welfare and similar sources than they did from union strike benefits.

Public assistance to GE strikers and their families has been estimated to total *about $5 million dollars per week at* one point in the strike, and in Massachusetts alone, GE strikers and their families received $2,307,823 in welfare benefits.

The New York Times, in reporting on the 1967–68 copper strike found that "the solidarity" of the strikers was based, in great part on "wide support from a combination of public welfare, Federal food stamps, and union strike benefits."

Statistics are not yet available, but there can be no question that Food Stamps were distributed in large quantities to many of the 343,210 workers who were on strike against General Motors. Some workers have publicly acknowledged the value of food stamps in the strike, and Rep. George A. Goodling (R-Pa.), quoted one worker who had paid $18 for stamps with which he could buy $162 worth of groceries, as saying "They can't starve us out now that we're getting these food stamps. We can go on forever."

In fact, the exact amount of Federal aid furnished to subsidize strikers is difficult to determine, because public relief agencies don't always show the recipients as a striker on their records.

One way, perhaps to get a fairly accurate picture of whether strikers are receiving public funds, however, is to compare the amount of aid distributed during strike-trouble months with strike-free months in the same area. There would seem to be a logical presumption that at least the major portion of the increase is attributable to the strike.

In Lorain, Ohio, for example, in August 1967, food stamps were issued to some 141 households with 629 individuals.

In October, when Ford workers struck, household aid shot up to 1,187, with 10,048 individuals.

In November, with the settlement, the total was down to a more normal 331 families, and 1,460 individuals.

Similar experiences are likely to be duplicated in any community in any state during a strike period, because few welfare agencies show any disposition to bar strikers from collective public aid.

Some, in fact, go so far as to provide special handling for food stamps and welfare applications submitted by strikers. Such was the case in Baton Rouge, La., during a strike at a nearby chemical plant in August. A staff member from the local welfare unit was assigned to the local food stamp office and a special room was set up to process strikers' applications.

Welfare officials denied this arrangement was giving strikers preferential treatment, declaring it was merely a "simple way of clearing the backlog."

In many instances, special treatment for strikers begins even before the strike is called.

Well in advance of the GE strike, for example, union leaders met with Federal, State, and local welfare officials to discuss how strikers might be helped during the walkout. Preliminary lists of those who would be expected to need help were submitted.

Thus, the availability of public financial assistance was actually a foregone conclusion when the strike was called.

With these and other evidences of widespread distribution of public economic assistance to strikers available, two questions are raised: (1) Should the cause of an individual's "need" make any difference? (2) Does furnishing public assistance undermine the principle of Federal neutrality in labor disputes?

THE CAUSE OF "NEED"

Undoubtedly, one major reason for the increased use of general taxpayers' funds as a source of strike aid can be found in the simple fact that organized labor has demonstrated political muscle.

But some of it also comes from the accepted principle in American society that those "in need" should be helped.

Proponents of the aid to strikers say that if a worker and his family are "in need", it makes no difference what the cause may be.

Others, however, say that one can accept the general principle of helping those in need, but still raise questions over treating the man who is unemployed because he is on strike in the same way as the man who is in need because he has no marketable skills:

There is increasing evidence, in fact that the American people are increasingly inclined to believe that the reason for being in need does make a difference. Current proposals for changes in the welfare program, for example, generally emphasize a willingness to accept employment as a proviso for such aid.

Congressman Goodling (R-Pa.) in a statement on October 13 pointed out that "choice" plays—or should play—a key role. He asked: "Should one taxpayer who is, by choice, gainfully employed, be expected to subsidize another taxpayer who is, by choice, unemployed?"

Additional importance is added to this question of *choice* by the far-reaching effects that labor disputes have on others.

For one thing, assuming that aid, such as Food Stamps, are available in limited quantity at any one time, their issuance to strikers may actually deprive people who are "in need" through no desire of their own.

In introducing his bill, Senator Thurmond noted: the effect of the General Motors Strike:

". . . the issuance of food stamps to these individuals who could have been earning $4 an hour, undoubtedly took the food out of the mouths of people who were actually in need. The strikers in one State were drawing so many stamps that the Federal Government had difficulty in keeping the stamps printed and supplied to the local agencies."

He pointed out, too, that the economic effects went beyond the other needy:

"The United Auto Workers Union strike, the biggest and costliest strike in more than a decade, has a serious adverse effect upon many innocent individuals. Since these strikers were being fed at the taxpayers' ex-

pense, there was little incentive to go back to work. As a result, the strike lasted for almost two months. Each day this strike continued, the number of innocent victims increased.

"This union action caused over 100,000 individuals who wanted to work to be laid off, cut the gross national product by $1 billion per week, and severely damaged the earnings of many primary and secondary suppliers, not to mention the cost to each individual taxpayer who paid for millions of dollars worth of additional food stamps."

FEDERAL NEUTRALITY

Because of these and other repercussions, a policy that ignores the source of the individual's need in distribution of economic aid undermines the base on which our collective bargaining system rests.

This base is the belief that management and labor should bargain collectively—and that the Federal Government should remain neutral.

Our laws permit the workers to band together without restrictive pressures from employers and to bargain collectively.

The Federal Government "acts to oversee and referee the process of collective bargaining."

There is no way to separate economic power from this bargaining process.

In fact, it is an essential part.

The workers' goal in a strike is to cause such economic losses for owners of the plant that they will weigh these losses against the cost of wage increases and other benefits.

Similarly, the employee's bargaining position is affected by their losses in income weighed against their possible gains in the contract.

When the Government forces the taxpayers to subsidize one side of the dispute, it exerts a substantial, or even controlling importance in influencing the results of the dispute.

The payment insulates the employees from the financial burden of striking by the creation of a Government "strike fund" of immense proportions.

Congressman Goodling noted that this means the "Government is taking sides" and "raises the serious question of whether or not General Motors should not expect special treatment from the Federal Government for any losses resulting from the strike."

FOOD STAMPS—MAJOR CULPRIT

Although welfare, unemployment compensation, and other financial aid is furnished to strikers in some jurisdictions, it appears that the worst violations of the principle of Government impartiality in labor disputes are coming in the area of Food Stamp distribution.

The Food Stamp program was started in 1939, under a 1935 law, principally on the grounds that it could be used as an effective technique for distributing Government-held food surpluses.

In 1961, a pilot stamp plan was initiated by President Kennedy in eight test areas, under the same 1935 authority, and in 1964, Congress, under the urging of President Johnson, converted the 1961 pilot program into a permanent food-stamp program financed by the Federal Government.

Some $375 million was authorized for three years, and the purpose of the program was shifted from one of direct distribution of surplus Federal stocks to one designed to aid low-income families improve their diets. Critics of the direct distribution plan argued that the distribution of surplus stocks unduly limited the diet of the needy.

Under the new plan, any community, with the State's approval, could drop out of the direct distribution plan and enter the food-stamp purchase plan instead.

Under the food-stamp purchase plan, a low-income eligible person would purchase food stamps which could be used to buy food with a higher value in the store.

With banks acting as intermediaries, the Federal Government would pay the costs—the difference between what participants paid to purchase the stamps and the amount of food they received for them.

President Johnson signed the measure on August 31, 1964, declaring that it was "one of our most valuable weapons for the war on poverty."

Since that time, the program has grown.

Current legislation would expand it greatly.

The Senate bill (S. 2547) would authorize a boost from $315 million in FY 1969 to $2.5 billion by 1972.

The bill also provides free food stamps for families with incomes under $60 a month and provides that the price of coupons be adjusted so that no family is required to spend more than 25 percent of its income for stamps.

The House bill also carries liberalizing features, and would set up an open-end authorization for three years.

But, oddly enough, neither of these so-called "reform" measures would do anything to put an end to the practice of giving aid to strikers.

The House Agriculture Committee, in fact, refused to do so, on the grounds that it "did not wish to take sides in labor disputes."

Since issuing the stamps is itself taking sides, this rationale is difficult to understand. It also seems to contradict the Committee's avowed intent to deny participation in the stamp program to individuals "who are poor because they choose to be poor."

The food stamp and welfare bills do require that most-abled bodied adults register for employment as a condition for receiving stamps, but this doesn't solve the striker problem. A striker need only register to begin getting aid.

In 1968, the House approved a provision that would have barred stamps for strikers, but it was knocked out in the Conference Committee and the House yielded.

It has been reluctant to get into that battle again and is not likely to do so in this lame duck session. But the growing use of food stamps to weight the scales in favor of one side during the collective bargaining process will sooner or later force Congress to face the problem squarely.

[From the Wall Street Journal, Oct. 20, 1970]

A SORDID PICTURE

The 1964 Food Stamp Act specified in its title that its goal was to "provide for improved levels of nutrition among low-income households." In a March 1964 message on poverty, President Johnson urged support for food stamps "to protect those who are especially vulnerable to the ravages of poverty."

Well, as we noted recently, food stamps have strayed quite a bit in the past six years. Specifically, they're being used to support United Auto Workers members in their current strike against General Motors Corp. It surely is an odd role for the Federal Government.

Federal financial aid to the strikers obviously can prolong the walkout, since it lessens the pressure on the union and its members to settle. Least anyone worry too much about the strikers, who after all draw benefits from the union and frequently can get other jobs, it should be remembered that the Federal strike benefits can easily delay or preempt aid that would otherwise go to persons who are really subject, in Mr. Johnson's phrase, "to the ravages of poverty."

Congress may at least recognize that the food stamp program is somewhat strained as it tries to help both strikers and the poor. In any case, the House the other day overwhelmingly approved a measure that will increase the funds available to the program by $300 million.

As Rep. John Ashbrook (R., Ohio) remarked, "One does not have to be too bright . . . to recognize that this extra $300 million may very well be headed not for the poor and needy but for the General Motors strikers and others who may be out of work by their own voluntary action."

Mr. Ashbrook summed up the matter well: "The whole sordid picture is one which certainly has not done the U.S. Congress proud."

TRANSPORTATION ASSOCIATION OF AMERICA,
Washington, D.C., December 8, 1970.

Hon. GEORGE A. GOODLING,
U.S. House of Representatives,
Longworth House Office Building
Washington, D.C.

DEAR CONGRESSMAN GOODLING: We in the Transportation Association of America were most pleased to read in the December issue of "Northeast Agriculture" an article concerning your position on providing food stamps to strikers. Please accept our sincerest congratulations.

In this connection, I thought you would be interested in the attached information paper which we circulated to members of TAA.

We would be very much interested in the names of other Congressmen who are also concerned about the distribution of food stamps in this fashion.

With best wishes for the holiday season, I am

Sincerely,

PAUL J. TIERNEY.

TRANSPORTATION ASSOCIATION OF AMERICA,
Washington, D.C., October 30, 1970.

DEAR TAA MEMBER: Do you think it is right that General Motors employees now on strike—by their *own* choice—should receive Federal food stamps paid for by you and all other American taxpayers?

The Federal food stamp program was devised as an additional weapon in the war on poverty. Basically it was envisioned as an extra aid to families on welfare, the disadvantaged, the unemployables and similar truly persons. But because the agencies in charge of administering these programs have chosen to ignore or overlook the "need" standard, a strike is treated the same way as a hurricane or any other natural "disaster".

The net effect is that during strikes in recent years, the food stamp program and other welfare aids have provided *as much or more* aid to strikers as did union strike benefits!

But here is another facet of this grossly inequitable situation that possibly has more impact than the huge cost to the taxpayer.

Collective bargaining between labor and management depends on the ability of the parties to withstand a strike with its related consequences. Since welfare assistance such as Federal food stamps eases to a major extent the financial burden of striking, meaningful collective bargaining is seriously jeopardized. Thus the propensity of workers to strike increases, strikes themselves are unduly protracted, and it is made all the easier for unions to exact inflationary settlements.

We are concerned about the whole situation. And we've said so on several occasions to both the Congress and the Administration. We've also made our point quite strongly in our special publication entitled "Government Aid to Strikers".

If you are concerned, we urge you to tell your Congressman how you feel about the situation. *Now* is a good time while he is back in your district during the election-time recess. Only an aroused public can cut down the use of public funds to help support strikes.

Sincerely,

HAROLD HAMMOND.

Mr. POAGE. Mr. Chairman, I yield such time as he may use to the gentleman from Indiana, (Mr. MADDEN).

Mr. MADDEN. Mr. Chairman, I am deeply distressed over the opposition to allowing food stamps to workers engaged in contract disputes. Therefore, I take this opportunity to call to mind the many good things that working people give to improve the quality of economic life beyond their regular tax deductions which amounts to the largest source of revenue for Federal, State, and local government.

Workers contribute their money and talent toward the growth of their communities by supporting programs which will aid the needy and unfortunate. You have only to observe, as you travel, that ours is a Nation of churches of all denominations whose doors are open to all regardless of one's ability to make like contributions.

Many workers contribute a portion of their paychecks regularly through payroll deduction to the annual United Fund campaign, and so forth. Agencies benefiting by such support attempt to meet the otherwise unmet community, State, and National needs. Indeed, workers give of their personal time as well by serving in the great army of volunteers on the various agency boards and committees, in charitable programs and as volunteer fund raisers for the needy.

Workers give cash and volunteer their efforts to community capital fund raising campaigns. Need anyone be reminded that a Boy Scout headquarters, neighborhood recreation center, or any community building project does not just happen—workers make donations of money, volunteering hours of work, or both.

Workers advance national health causes. I bring to your attention only one of many examples of health causes where labor's annual contributions, over a period of 20 years, made this great charity a success. The cause was the March of Dimes initiated by President Roosevelt. The disease was polio which took the lives of more than 10,000 young people annually while thousands more of all ages were left crippled. Twenty years of annual contributions resulted in the development of vaccines which have since reduced the death rate to well below the 100 mark annually.

Workers contribute in other ways. Workers donate blood through blood replacement programs for military as well as local needs. Approximately 2 million pints are given annually. Workers and their families are the major source for organ transplants now voluntarily allowed under the recently passed Anatomical Gift Act. Many workers have signed the standard uniform donor card which will allow at death the donation of an organ or organs so that others may live.

Mr. Chairman, I can go on and on in listing the everyday good deeds performed by workers—Buddy programs, child adoption, visiting the sick, Little League, and so forth. Food stamps for workers and their families while engaged in a strike, provided all qualifying tests are met, is as fair for the workers as Government subsidies, tax writeoffs, and other incentives which are legislated for business and industry. To consider even less for workers than the law allows, in their time of need, is to test the workers' faith in his government.

Let us not, as a governing body, be the wedge that divides the various segments of our economy. That contributes to the widening of human and moral relations between labor and management relations. Let us instead, correct any proven abuse in the food stamp program and continue as we have in the past to meet the basic needs of the people. It is incumbent on this body to defeat any motion that will deny food stamps to anyone in need regardless of the cause of that need.

Mr. POAGE. Mr. Chairman, I yield such time as he may use to the gentleman from Mississippi (Mr. MONTGOMERY).

Mr. MONTGOMERY. Mr. Chairman, I rise in support of H.R. 18582 as reported by the Committee on Agriculture. The legislation was reported out of committee by a vote of 28 to 2, after several months of serious and soul-searching consideration. The bill is a compromise measure representing the best of several worthwhile proposals. I would like to commend the chairman and my fellow members of the committee who worked so hard and diligently to formulate the bill. I would also like to commend the other Members of the House who took an interest in this legislation and presented oral and written testimony on behalf of the bill.

I believe all my colleagues are familiar with the basic concepts behind the food stamp program. The original legislation had as its main purpose the supplementing of food resources for those people in America having to subsist on a substandard diet. Congress in its wisdom was making an honest attempt to assist those low-income families who did not have the financial means to purchase a daily supply of food for a nutritional diet. That word "assist" is very important. The food stamp program is designed to assist those people who are trying to make ends meet, but cannot. I do not believe the Congress in 1965 or the Congress now intends for the food stamp program to become another mammoth giveaway, thereby killing the incentive for people to earn a living for themselves.

There will be some who say the bill does not go far enough and there will be others who say it goes too far. I believe the merits of the legislation speak for themselves. The Agriculture Committee has included provisions that will make it much easier for people truly in need to acquire food stamps, participants would be allowed to purchase food stamps twice a month in those cases where they do not have the funds at the first of every month to pay their contribution. People receiving welfare or other public assistance will be able to have their contribution deducted from their monthly check. The legislation contains the "meal on wheels" concept whereby the elderly and shut-in could use their food stamps to purchase hot meals from nonprofit organizations. There is a provision directing the appropriate State agency to begin an educational program to inform potential participants of the availability of food stamps.

One very important provision calls for the formula for issuing food stamps to be based on the requirements to provide a nutritional daily diet. Also the Secretary of Agriculture with the assistance of the Secretary of Health, Education, and Welfare would be directed to develop uniform national standards for participating households. H.R. 18582 provides for steps of appeal by those persons who believe they have been wrongfully denied to participate in the food stamp program.

I believe all my colleagues will agree that these provisions will make it easier for thoe low-income families truly in need to participate in the food stamp program.

By the same token, the committee included a provision to tighten the controls of the program by requiring able-bodied persons receiving food stamps to register for and accept employment. I feel it is only right that people capable of working should accept available employment to earn their own living. You will encourage people not to work.

Mr. Chairman, I would like to discuss in a little more detail section 5 of the bill which contains authority for establishing the value of coupons with a minimum monthly payment of 50 cents per person per month up to a maximum of $3.00 per family. I would point out that this is not a hard-and-fast rule. Allowances are made for this payment to be made out of State funds or by charitable organizations in the cases of indigent people. This very token payment will give the participants a feeling that they are contributing to their own well-being and not totally living off the public dole. This small contribution of 50 cents a month per person is a continuance of the past philosophy of the food stamp program. A philosophy of assistance and not giveaway.

There has been some discussion of section 9 which provides for State sharing in the costs of the bonus value of food stamp coupons. The provisions would call for the States to pay 2½ percent of the bonus value the first year, 5 percent the second year, 7½ percent the third year and 10 percent thereafter. My colleagues will realize that this is not a revolutionary proposal at all. The Congress has always provided for State-Federal participation in programs of this type. In fact, most of the public assistance programs require the States to pay more—considerably more—than 10 percent of the costs. I believe the average is somewhere around 50 or 60 percent, this holds true in other areas also such as highway construction, urban renewal, water and sewer facilities, plus others.

This proposal will not hit State treasuries as hard as some may think. This is especially true for those States who have a sales tax on food purchases. The food stamp program is providing greatly increased cash sales that never took place under the commodities program. These sales are adding to the amount of revenue being collected from the sales tax.

I would like to point out to my colleagues that at the proper time, an amendment will be offered to push back the effective date of the State sharing formula. As the bill presently reads, the States would have to begin paying 2½ percent by the end of fiscal year 1971. By unanimous agreement of the Committee on Agriculture, an amendment will be offered to change this to the end of fiscal year 1972 and each of the succeeding increases in State sharing will be changed accordingly. This will give the various State legislatures 1½ years to pass conforming legislation.

In closing, I would like to touch briefly on the cost of H.R. 18582. Even though the appropriations authorization is open-ended, the Department of Agriculture has made an estimate of the cost of the committee's bill. They estimate that based on the present number of participants and the anticipated increase in participants the cost would be $2 billion in fiscal year 1972. I would point out that estimate on the Foley-Quie substitute would result in spending levels of $3.8 billion in fiscal year 1972 and $4.5 billion in fiscal year 1973. I realize that the substitute measure has a maximum spending level, but this just would not be enough money according to the Department of Agriculture to fulfill all the requirements of the substitute measure.

Mr. Chairman, I would urge all my colleagues to vote for H.R. 18582 as reported by the Committee on Agriculture.

Mr. BARRETT. Mr. Chairman, I have always supported the food stamp program and I hope I am able to continue to support this program; that is, that no amendments are adopted here today to weaken or destroy the Food Stamp Act. It has been one of the great achievements of the Johnson administration, and was based on a successful experimental program initiated by the beloved President John F. Kennedy.

I am proud to say that in the days when this program was being started, I urged the inclusion of Philadelphia in the pilot program and it was so included.

The program has administrative faults and problems, as any program of government usually does. Those can be corrected by good enforcement—not by attempts to change the law unfairly.

I oppose the antilabor amendments and the amendments to make the States pay part of the cost of the stamps. Those amendments are intended to cripple the program, not improve it.

Mr. BOLAND. Mr. Chairman, I rise in support of the Foley-Quie substitute bill. Unlike the committee bill, the Foley-Quie substitute would bring the food stamp program within the reach of virtually all the country's poor. Both bills recognize the pressing need for reform in the food stamp program. The 1964 Food Stamp Act, its major provisions still unchanged, now helps only about one-third of the 25 million impoverished Americans. Restrictive eligibility requirements—people who earn no cash income, for example, cannot buy food stamps—constitute one of the principal causes behind this dismal performance. Another is the lack of national standards for the program.

Major reforms—indeed, sweeping reforms—must be carried out now if the program is to reach the basic goal envisioned in the 1964 Food Stamp Act: feeding the Nation's hungry. The reforms sought in the Foley-Quie bill, I think, promise to achieve this goal far more efficiently and far more equitably than those of the committee bill.

The committee bill, for example, does not explicitly define national standards of eligibility. It stipulates that a family of four earning slightly more than $4,000 in yearly income is not eligible for food stamps. But it does not say who is eligible, burying in vague and muddled language a determination vital to the program's success. The Foley-Quie substitute, on the other hand, makes eligibility criteria so plain that no one child could misinterpret them. Any family of four whose income falls below $4,000 could get food stamps.

The committee's bill's most cruel and chilling provision calls for an outright ban on free food stamps, denying help to the 1.3 million Americans mired deepest in poverty: those who have no cash income at all. This provision—if I may speak bluntly, Mr. Chairman—is nothing short of unconscionable. The substitute bill would provide free stamps for families earning no cash income—indeed, for any family of four whose income is less than $30 a month.

I would like to cite a few more striking distinctions between the two bills. The substitute would give elderly Americans—that is to say, Americans 60 years of age or older—eligibility for food stamps. The committee bill, conversely, provides limited food stamp benefits for only those elderly who are disabled or confined to their homes. The Quie-Foley substitute demands the participation of all States in the food stamp program. The committee bill not only lacks this provision—a provision crucial to the food stamp program's success in the country's most impoverished regions—but it also makes the States liable for up to 10 percent of the program's bonus cost. Already heavily burdened by taxation, many States might ignore the program if faced with such added costs. The committee bill, still further, would deny food stamps to any household should just one able bodied member fail to seek a job. The substitute would penalize just that one member, granting food stamps to any dependants unable to work.

There is no question in my mind, Mr. Chairman, that the substitute bill is by far the better one.

I urge its passage.

Mrs. CHISHOLM. Mr. Chairman, Congressmen and Senators have spent a great deal of time in this term debating the merits of the food stamp program, discussing the definitions of hunger and if the major cause of hunger is poverty or whether it is the ignorance of the poor. Those who would contribute the cause to the ignorance of the poor might not be so willing now that one of their colleagues, Senator PHILLIP HART and his family, tried a welfare diet for 1 week in March.

Recently, I read an article in one of those quiet low-keyed magazines that covers the U.S. Congress. The article started like this—

> America has discovered serious hunger in its midst—and the public and political reaction includes pressure for major changes in Government programs.

America has not discovered hunger in its midst—almost one-third of the people in this country have been on speaking terms with hunger most of their lives. Some politicians have discovered that hunger, like poverty, can be an excellent and serious political issue.

A number of bills have been introduced in both the Senate and the House this term, some because of the debate and some in spite of it. All of them have the objective of reforming the Government food program. Some of the reforms are far reaching. Two examples would be free stamps for families with very low incomes and national minimum and maximum income standards for eligibility in the program.

Others are gradual stopgap measures designed to make the program look better but not necessarily work better by reaching more people in a more humane way.

It is not the lack of an adequate food program that is the basic cause of hunger in America nor is it a totally inadequate welfare system. It is the lack of money to buy food; it is poverty that is the cause of hunger, and poverty in the midst of plenty is tied directly to an unequal distribution of wealth in this country.

The food program and food stamps in particular do not attempt to change that basic fact. The drafters of the various food stamp bills are well aware of that.

The poor's major criticism of the program has been if you do not have money you cannot buy stamps. The proposed reforms in many programs seem to have interpreted that statement as meaning that the poor think that food stamps should either cost very little or be completely free.

My interpretation of that criticism by the people who are poor is somewhat different. I do not think that they are asking for continuance of the present personally degrading welfare system of which free food and food stamps are only extensions. They are asking for an opportunity to fully participate as productive members of this society. And they are asking that their participation bring them an honest and an equitable share of the prosperity that their work produces. A large enough share to feed, clothe, and house families in such a way that they will not have to depend on free money, free food, or even free medical care. Far too often those who have the good fortune never to have to resort to these free services cannot realize the terrible human price that is paid by those who accept those free offerings.

The alternate solutions for the problems that the welfare system and food stamps are designed to solve are often said to be very complex but so is putting a man on the moon. Any nation that can achieve such a marvelous feat should be able to seat the remaining one-third of its citizens at its dining table.

Mr. ANNUNZIO. Mr. Chairman, I am proud to be able to say that during the 6 years I have served in the Congress of the United States, I have always supported the idea and the concept of the food stamp program, and the legislation to expand it to the entire country. Hence, I think I am more than justified in questioning some of the proposals put forward here, supposedly to improve the food stamp program, which come from some of the Members who in the past opposed the legislation which created a food stamp program, and who opposed its expansion.

In other words, Mr. Chairman, there is a question in my mind whether some of these so-called improvements are intended in fact to make the program better or to eliminate it.

Ever since the program started, efforts have been made by the House Committee on Agriculture to force the States to shoulder a substantial share of the cost of the food stamps. First, the proposal was made by the Agriculture Committee to require the States to pay 50 percent of the cost of the added food purchasing power made possible by food stamps. That was defeated in 1964. In 1968, the committee proposed that the States pay 20 percent of the value of the bonus food stamps. That, too, was defeated. Now, in this bill, the committee is proposing that the States be required to pay up to 10 percent of the bonus value of the stamps. I trust that this proposal also will be defeated. I certainly oppose it for it is an anti-food-stamp proposal. It would discourage State participation in an important program of assistance to low-income Americans.

I join with the original sponsor of the food stamp law, the gentlewoman from Missouri, Congresswoman LEONOR K. SULLIVAN, my chairman on the Subcommittee on Consumer Affairs of the House Committee on Banking and Currency, and with other members, in opposing this and other features of the committee bill which could easily undermine and destroy the whole program.

The food stamp program offers an opportunity to every family to enjoy an adequate diet regardless of how low its income. Not all families use the food stamps with the skill of a home economics professor to buy the most nutritious foods. But research has demonstrated that the majority of families participating in the food stamp program do buy the right foods—fresh vegetables, fresh meat, milk, fruit, and so on—so the program has worked very successfully in most instances. There is, and has been, a need for more educational effort by the Department of Agriculture and the local welfare authorities in helping some families to use the stamps more effectively. And there must be strong enforcement, to prevent cheating. But on the whole, the program has taught us that when low-income families have enough money to spend for food, they do eat properly, and buy the right foods, and appreciate this substantial improvement in their diets.

In my opinion, this program has been one of the greatest aids to improvement of the agricultural economy in this country, for it has made effective consumers of processed foods out of millions of Americans not previously able to buy even a minimum diet in the grocery stores and meat markets.

This is a far better way to increase food consumption than just dumping our surplus food abroad—which is what we did with most of it before this food stamp program went into effect.

Mr. Chairman, I ask my colleagues, when we vote on the details of this legislation later today, to keep in mind the fact that we have the resources in this country—the blessed food abundance—to assure a decent diet for every man, woman, and child. The extra food which goes to low-income families under the food stamp program is, in most instances, food which would not otherwise be sold in the grocery stores, because without the food stamp program the people participating in that program would not be in a position to be customers for that extra food.

So the Government would have to buy it up as surplus, process it at great expense, and then give it away in powdered or dried form.

One final word, Mr. Chairman: much of my life before coming to Congress was spent in the field of labor-management relations. Not all strikes are justified and not all strikers are noble individuals. But most strikes occur only after prolonged and protracted efforts to reach an agreement without a strike. The strike is a last-resort device to achieve a settlement. Sometimes, strikes are deliberately provoked by management. We have vast machinery in the Federal Government and in most of the States to try to achieve the resolution of labor-management disagreements without strikes. But that machinery does not always succeed.

A proposed amendment to this legislation to prohibit the issuance of food stamps to anyone engaged in a labor dispute, without regard to any of the circumstances of the dispute or the financial hardship to the individual family, would be a cruel and inhumane measure to punish American workers for using their legal right to strike. This is the starve-them-out theory of labor-management relations. It is an 18th-century concept which does not belong in the United States of America. I oppose this proposal without qualification. It is, in my opinion, a shameful proposal.

Mr. LEGGETT. Mr. Chairman, hunger and malnutrition have not been strangers in man's history, nor are they strangers in the United States today. Hunger exists in the United States on a scale that is incomprehensible when it is technologically possible to have no hunger at all. Malnutrition abounds even where there is no economic justification but only ignorance of human needs.

This country has the highest average standard of living in the history of man. It has the greatest agricultural and industrial productivity per person of any nation. Yet, it has the greatest desparity of any country between its social capabilities and its social accomplishments.

Our ability to feed all of our citizens has not caused us to eliminate hunger. Our technology clearly demonstrates the nutritional requirements of the human body has not caused us to eliminate malnutrition.

We have promised all of our citizens an opportunity to participate in the benefits as well as the burden of a great society. We must act to make that promise a reality and not empty rhetoric.

Our technology tells us a child who does not receive proper nutrition during the first 3 years of life may well suffer permanent mental retardation; a student who goes to school in a state of constant hunger will not be able to concentrate; a man improperly nourished cannot work at his full mental and physical capabilities.

Department of Agriculture statistics show the present food stamp program is reaching only 25 percent of those persons who are constantly hungry and malnourished.

The Nixon administration in an unsigned memorandum circulated among Republican Congressmen implies that to increase this figure would be too great a financial burden on the economy. To limit this program at this time is the most foolish form of false economy.

Lack of knowledge is an unfortunate circumstance; but, lack of action contrary to knowledge is unconscionable, if not immoral.

In developing the food stamp program, Congress has taken a step in the direction of ending hunger in the economically disadvantaged segment of our society. It has provided assistance to many of our citizens who had known constant hunger from the time of their birth.

Unfortunately, this program has failed to provide assistance to many more of our perpetually hungry citizens who could be helped.

H.R. 18582, to amend the Food Stamp Act of 1964, will amend the food stamp program administration. It will not expand its impact on hunger.

At best H.R. 18582 has serious shortcomings. There are grave weaknesses regarding State contributions, employment requirements, and minimum payment for stamps. At worst it is a source of false hope that progress is being made in the fight against hunger when it may only help a limited few.

There are strong arguments for amendment of this bill. The committee proposes to compel every State either to finance by fiscal year 1974, 10 percent of the bonus value of the coupons issued to participate or else abandon the program. The bonus value means the total coupon allotment value less the coupon purchase price. This food-stamp tax on the States is a unique, reverse form of revenue sharing. It makes the States share even more of their tax dollars with the Federal Government—which now pays for 100 percent of the bonus value of coupons.

There is no part of the United States that would not be penalized by this food-stamp tax on the States. California, New York, Illinois, Michigan, Ohio, Pennsylvania are States desperate for relief from their staggering welfare burdens. Seven Southern States—Mississippi, Alabama, South Carolina, Arkansas, Louisiana, North Carolina, and Tennessee—in April 1970, accounted for 25 percent of nation-

wide food stamp participation, and 31 percent of the bonus value of distributed coupons. And in every part of our Nation, the cost of the committee's food-stamp tax on the States could be onerous for the middle-class taxpayer if the State continued to meet its responsibility to its hungry and malnourished under the program.

This House recognized this fact in 1967 when it rejected a similar proposal. This House understood then and knows now that what is needed is to expand—not cut back—the participation of the hungry and malnourished in the food stamp program. The Federal Government should be offering to share more, not less, of the already too high State expenses of this program. The Federal Government should, rather, reward States which perform well in delivering stamps to the hungry and the malnourished. In no event, should the Congress allow States to fail to get underway, adequate food programs—either statewide or in any of their subdivisions—without authorizing alternative channels through which the program can continue.

The committee has set up an unnecessary hurdle to any household's purchase of stamps. That seemingly modest proposal is a peculiar work test that conflicts with the eminently reasonable, craftsmanlike, work requirement recently approved by this House under the Family Assistance Act of 1970—H.R. 16311.

Unlike the family assistance program work requirement, the food stamp measure would go into effect overnight; no training opportunities would be provided; no day-care services furnished; State and local governments could coerce millions of adult stamp users, many of whom might otherwise be highly skilled and in diligent search of suitable employment—such as aerospace engineers in Seattle or San Diego—into sweeping streets or digging ditches for ridiculous wages in order to feed their families.

Your committee has imposed a minimum payment for food stamps of 50 cents—for families with no cash income at all. This administration has expressed its disapproval of this restriction in this bill.

This provision would be a long step backward from the present law which, on its face, authorized free stamps to be issued to households who have no normal expenditures for food, and would, of course, wipe out the experiment with free stamps currently being conducted in two South Carolina counties.

Although food is a basic necessity of life, it is usually a low priority in the monthly family expenditures, falling behind rent, lights, heat, and medicines. The needy necessarily buy food only with the money left over. It is unconscionable that free stamps should not be made available to the millions of Americans whose incomes are so low that they subsist in a permanent state of hunger and malnutrition.

I strongly urge my colleagues to implement the spirit of these views in the bill that we will pass today. It will be a false prosperity which this country enjoys as long as there are those who do not share the luxury of basic nutrition and health.

We, in Congress, hold the power to determine the country's policy upon the fight against hunger, let us not fail to implement the policy we have set out for ourselves.

Mr. MIKVA. Mr. Chairman, to call the Agriculture Committee bill a food stamp bill is like calling the highway slaughter in this country a birth control program. It is a callous bill which totally disregards the humanitarian spirit in which the food stamp program was created. To pass it would be an abandonment of what has been accomplished in the last 6 years. We would be turning our backs on the people who desperately need food stamps by legislating requirements forcing States to pay up to 10 percent of bonus costs. The result of such action will, without a doubt, cause the end of the food stamp program in many States already hard pressed to match funds for other vital Federal-State social programs.

Instead of increasing the number of people eligible for food stamps, passing the committee bill would decrease the number of recipients, not only through the elimination of some State programs, but by demanding the absurd—requiring a destitute family, with no income, to pay a minimum fee for their stamps.

Mr. Chairman, I cannot understand why the administration, whose original proposals did not include these three controversial provisions in the committee bill, has not spoken out against it and thrown its support to the far superior Foley-Quie proposal. I see this as yet another example of the administration's failure to lead the way in solving our most serious domestic problem.

I intend to support the substitute bill. It is the measure that will truly work in the interest of the impoverished millions in this country. If someone is cold, you clothe him; if someone is sick, you give him medical attention; if someone is hungry, you feed him. That relationship between a problem and its cure may sound too complex for the administration and the committee—it certainly is understandable by the hungry and the poor who look to us for help.

Mr. PRICE of Texas. Mr. Chairman, I rise in wholehearted support of the distinguished gentleman from Pennsylvania's (Mr. GOODLING) amendment prohibiting strikers from participating in the Federal food stamp program. I commend my good friend and colleague on his initiative in this area. We have worked closely on this issue on previous occasions, and he knows I share his views.

By way of general background, the Federal food stamp program was enacted for the purpose of assisting low-income families to increase and expand their food and to improve the quality of their diets. Program participation was supposed to be limited to those families whose income was considered to be a substantial limiting factor in their obtaining a nutritionally sound diet. A fundamental consideration of the program was that food stamps were to be provided to those in dire need of this form of Federal assistance.

In committee hearings and floor debate emphasis was placed on the fact that food stamps were not supposed to be a substitute for working; neither were they meant to be an inducement for people not to work. When strikers receive food stamps, however, as was the case in the recent General Motors strike, the principles and purposes of the food stamp program are distorted greatly for strikers impoverish themselves by choice rather than by circumstance.

Giving Federal food stamps to strikers also violates a fundamental principle of our republican form of government; namely, that the instrumentalities of government are not to be used for the enrichment of one group of people to the detriment of another. When food stamps are given to strikers, the taxpayer is discriminated against because not only does he have to bear the cost of the expanded food stamp program, he also has to bear the economic losses caused by the idleness of striking workers. To illustrate my point, in the wake of the final settlement of the General Motors strike the company announced its second substantial price hike of the year and in so doing implied clearly that the increased prices were caused by the strike.

The question then is, Mr. Chairman, why should the Federal Government provide strikers with economic assistance in the form of food stamps? The legal answer is that under the present law Congress has specifically authorized it. I opposed this action at that time and I still oppose it.

In my mind it is patently unfair for the Government to side with either labor or management in the base of a business dispute. Free and untrammeled collective bargaining should be allowed to take its natural course. Yet, when the Government gives food stamps to strikers who are not indigent but rather who have merely refused to work and have walked off the job, the Government is then, in effect, siding with labor. This fact was put in clear perspective by one of the striking General Motors employees who, after paying $18 and receiving food stamps with which he could purchase $162 worth of groceries said:

> They can't starve us out now that we're getting Food Stamps, we can go on forever.

Mr. Chairman, I submit that the practice of giving food stamps to strikers distorts the very purpose of the food stamp program. Congress has the responsibility to the taxpayer to correct this mistake it made in the original act, a mistake which can be remedied by the enactment of the Goodling amendment. I urge my colleagues to support this amendment in the interests of justice and fairness.

Mrs. MAY. Mr. Chairman, I rise in support of H.R. 18582.

The bill before us is based on a proposal which I introduced with 33 cosponsors on behalf of the administration in June of 1969. This legislation is the product of 18 days of public hearings, 16 executive committee sessions, and a great deal of time spent in meetings and discussions with administration officials, our colleagues here in the House and other groups and individuals interested in the operation and future development of the food stamp program.

As reported by our committee, H.R. 18582 incorporates nearly all the pro-

gram changes requested by the administration, and includes some additional improvements beyond the original proposal. Among the administration's recommendations included in the bill are:

A food stamp allotment sufficient to purchase a nutritionally adequate diet;

A provision insuring that participants pay no more than 30 percent of income for their stamp allotment;

Uniform national eligibility standards;

Simultaneous distribution of food stamps and commodities in local areas requesting both programs;

Participating families may purchase a portion of their monthly stamp allotment at a proportionate reduction in cost;

Participating States are directed to engage in outreach activities to inform low-income households of program availability;

A fair hearing procedure is established for aggrieved program participants; and

Welfare recipients, who are enrolled in the stamp program, may request that stamp payments be deducted from their welfare checks.

Among the program improvements added by our committee are provisions to—

Allow the use of food stamps by the elderly to pay for home delivered meals provided by "meals on wheels" programs;

Prevent abuses of the program by establishing more definitive eligibility standards with regard to fixed assets and tax dependents; and

Establish additional barriers against program fraud.

As the principal sponsor of the administration's food stamp proposal, I have worked with my colleagues on the committee to perfect legislation to improve and expand our present food stamp program. Our efforts have been directed toward changes which would enable the program to better reach those who truly deserve and need this type of assistance, and which would at the same time eliminate abuses of the program about which so many of us have been concerned.

The bill we reported—the one before us today—provides a far more effective and improved program than is possible under present law. It provides an even more solid foundation from which the food stamp program can reach out to help meet the needs of those who are unable to adequately provide for themselves.

It deserves the support of my colleagues.

THE FOLEY-QUIE SUBSTITUTE—H.R. 19889

There are a number of serious problems associated with the proposed substitute bill. Perhaps foremost is the cost factor. The Agriculture Department estimates that the cost of the substitute would substantially exceed the amounts authorized in the bill.

The substitute provides for a coupon allotment to supply the equivalent of at least 35 cents per person per meal, and specifies that if the funds authorized are inadequate to do this, the Secretary may reduce the allotment to a minimum of 30 cents per person per meal. It is estimated, however, that in either case the cost of the program would exceed the total amount authorized.

The stamp cost under H.R. 19889 could be some $3.8 billion in the next fiscal year and $4.5 billion the year after, considerably more than the $2.5 billion and $3 billion authorized in the bill. And, even if the allotments were reduced, the costs could run in the neighborhood of $2.7 billion next year and $3.1 billion the year after.

And, it must also be pointed out that these estimates reflect only the cost of the stamps—not the administrative costs of the program, which would also be increased substantially.

But, there are other difficulties with the Foley-Quie substitute besides costs.

The bill provides for mandatory implementation of food stamp programs in every county in the Nation within 180 days, or programs will be initiated and operated in those counties by the Federal Government. The thrust of the food stamp program has been to replace commodity distribution programs in individual counties as those counties become prepared to operate food stamp programs. This is, perhaps, a slower process than that proposed in the substitute, but far more satisfactory in the long run in terms of maximum utilization of program benefits than would be direct Federal intervention and imposition of a program on an unwilling county.

In addition, the bill directs the Secretary to insure that all households eligible for food stamps be also eligible to receive donated commodities and have convenient access to such commodities. Such a requirement would completely reverse the thrust of the present program, which is to phase out commodity distribution in an orderly fashion, and would seem to mandate a nationwide family commodity distribution program in addition to the stamp program.

I would just point out here that when Congress determined to phase out the commodity program and replace it with the stamp program, it was for good reason. While it is better than nothing as a stopgap measure to get food to those who need it, commodity distribution is basically unwieldy, cumbersome and, unfortunately, often wasteful. It cannot provide the kind of balanced diet which can be obtained through the stamp program. It would seem to make more sense to continue the orderly phaseout of commodity distribution and replacement with the stamp program than to revive on a national scale this less effective method of providing food for the hungry. The manpower and funds it would require can be better utilized through the stamp program.

Another problem with the substitute relates to its provision that the Secretary may deal with public agencies and nonprofit private agencies, as well as States, in establishing food stamp programs. States already have and exercise the authority to contract with such agencies now for coupon issuance, and in the interests of efficient administration of the program, States should continue to be responsible to the Federal Government for the integrity of program operations within their borders.

The substitute also provides that the expenses of non-State operating agencies must be reimbursed by the Secretary of Agriculture. This not only discriminates against State agencies, but also make it difficult to control the expenditures of non-State agencies. It provides an incentive for States to abdicate their responsibility for stamp operations.

Another problem area is the requirement that the Secretary must review the result of every hearing involving an aggrieved program participant. This provision not only would prove cumbersome and costly, but also raises the presumption that a hearing cannot be fair unless reviewed by the Secretary.

The larger stamp allotments provided under the substitute bill would create pressure to extend eligibility to millions of additional families. According to the U.S. Department of Agriculture's analysis, if eligibility only extends to families with incomes of not more than $4,000 per year, then a family with a $4,000 income pays 30 percent—$1,200—for a total annual stamp allotment worth $1,536. If family income rises $1, the family loses $336 in benefits. This so-called notch creates a strong disincentive against participants earning and working more. With the $128 allotment level, the notch can only be eliminated by extending eligibility to all families with incomes less than the equivalent of $5,120 for a family of four. Such a standard would make 35.7 million individuals eligible to participate in the food stamp program.

Like our committee bill, the substitute contains a work requirement. This provision, however, is inconsistent with the work provision approved by the House for the family assistance program.

Eligibility standards in the substitute bill are also a point of concern. They would be based on disposable income and other financial resources of the household. Disposable income—that is, income after expenses—used as a measure of eligibility would eliminate any limit on the gross income of participating families.

Because of the objectionable features of the Foley-Quie substitute bill which I have just outlined, the administration finds this proposal unacceptable, and I certainly concur in their evaluation.

But, in addition to these objections, I have just one more point to make. The substitute bill would base program certification on a simplified statement executed by the applicant, which would be verified after certification "through the use of sampling and other scientific techniques." Now, nearly every piece of mail I receive which contains a complaint about the food stamp program tells me about someone who is receiving food stamps even though he is apparently ineligible. Many of these complaints, of course, are not valid, but many are, and the point is that this is a problem relating to certification of applicants. Inadequate or loose ceritfication procedures are a major source of program abuses, and it is these abuses which generate public antipathy toward the program.

For this reason, I feel that certification procedures should be strengthened, rather than loosened. Perhaps instead of requiring the States to share in the cost of the bonus stamps, as specified in

our committee bill, we should establish some firmer Federal guidelines requiring the States to devote more attention and manpower to better certification procedures. In this way the program can be made more effective, more responsive to the needs of the involuntarily poor, and more acceptable to the people who are footing the bill—the general public.

I urge my colleagues to reject the substitute proposal.

Mr. STEIGER of Wisconsin. Mr. Chairman, the extent of hunger and malnutrition in this country was brought dramatically to the attention of Congress and the Nation in 1968 with the publication of Hunger, U.S.A. At that time, the Education and Labor Committee, of which I am a member, held probing hearings on this issue and our findings provided the impetus for several subsequent improvements in school feeding programs. The Select Committee on Nutrition and Human Needs in the other body has over the past 2 years held extensive hearings, both in Washington and throughout the country, on this subject. The White House Conference on Food, Nutrition, and Health, the hearings before the Agriculture Committees in both bodies, the preliminary findings of the national nutrition survey all have provided overwhelming evidence that hunger and malnutrition do exist among our population.

Congress has not been negligent in its recognition of these facts. School feeding programs, commodity distribution, and the food stamp program, which we are considering today, all attest to our concern. However, our concern for ferreting out the cheaters, the frauds, and the lazy has, I fear, become an obsession which has distorted the original purpose of the Food Stamp Act and caused us to lose sight of the hundreds of thousands of Americans who honestly cannot provide a proper diet for themselves or their families.

Many of these are children, pregnant mothers, or mothers of preschool children. The evidence today is overwhelming that proper nutrition or lack of it, shapes the lives of each of us practically from the moment of conception. Those who fail to get proper nourishment are permanently damaged and all too often becomes wards of society filling our mental institutions, our school dropouts lists, our prisons, our welfare rolls.

On the other end of the spectrum we have the aged, the disabled, the infirmed. Those who clearly cannot provide for themselves. We cannot write them off. And yet lack of proper diet often shortens their lives and robs us of contributions which they could make to society. Again, we pay doubly—not only do we lose their talents, but as taxpayers we often pay to support them in institutions that offer no hope and no relief.

We must reverse this trend. Food and nutrition are not the only answers, of course, but they are important parts of it.

The substitute legislation, H.R. 19889, of which I am a cosponsor, attempts to deal in a realistic and effective manner with the problems of hunger and malnutrition. It contains a number of improvements which the Nixon administration requested, but which were omitted from the committee-reported bill, H.R. 18582, free food stamps and a work requirement more in line with that already approved by the House in the family assistance legislation. I also cosponsored the original administration bill, H.R. 12222.

The substitute incorporates into legislation some of the improvements which the Nixon administration has made administratively under existing law—expanded outreach and educational services, maximum geographic coverage, increased frequency of stamp distribution, improvements in the commodity distribution program.

And the substitute contains a number of additional provisions which on the basis of testimony, studies and observation, we, the sponsors, feel are necessary to insure a truly effective program. Most of these have been discussed in detail but let me briefly highlight several features which I feel are most important. First, the improvements in administration—self-certification; distribution of stamps in more places and at least once a week; flexible payment schedules so that stamps can be purchased in partial allotments and on a schedule based on need rather than bureaucratic expediency; deduction of food stamp allotments from welfare checks and issuance of stamps with the checks; expansion of the definition of food to include foodstuffs regularly available in domestic supply.

Let me cite some reasons why these administrative changes will improve our present program.

Self-certification is now used under the old age and disability benefits program and was recently authorized for use in the school lunch program. It cuts down on redtape, and there is no evidence to show that it is abused any more than the longer, more complicated forms.

Under present regulations some ethnic groups cannot purchase food which has been a traditional or essential part of their diet because it contains some imported ingredient, by expanding the definition of food to include items regularly available in domestic supply, these people will be better served.

Where distribution of stamps takes place only once or twice a month, some families cannot raise enough money to purchase their complete allotment of stamps and so they cannot participate. With partial purchase permitted and issuance of stamps at least once a week, we once again help to make the program more effective.

A second important feature of the substitute is the provision for meals on wheels and group dining by the elderly and handicapped. Both the committee-reported bill and the Senate-passed bill contain somewhat similar features, but the substitute represents an improvement over both of these versions as documented by evidence gathered through the pilot feeding projects conducted by the Administration on the Aging; by studies and reports presented to the Education and Labor Committee during recent hearings on elderly feeding programs; by the President's Task Force on Aging; and by the White House Conference on Food, Nutrition, and Health.

The substitute would permit elderly individuals over 60 years of age and handicapped individuals regardless of age to exchange food stamps for meals prepared for home delivery or in group dining situations regardless of whether or not these individuals had cooking facilities in their homes or not.

The committee-reported bill is deficient in two respects. First, it is limited to meals prepared for home delivery and does not include the exchange of food stamps for meals prepared in a group dining situation. Second, it limits participation to those who are housebound, physically handicapped, or otherwise disabled so that they are unable to prepare all of their meals.

Mr. Chairman, because we in Congress wanted further information on the needs of the elderly we authorized the Administration on Aging to conduct research and demonstration projects in this area. Two years ago AOA launched some 30 demonstration projects to test alternative means of coping with the nutrition problems of the older person. These projects were designed to test techniques for improving the diets of the elderly and for combating the various social and psychological impediments to good dietary habits. Similarly, the executive branch sought information and recommendations on providing better nutrition for the elderly, as well as solving other problems our senior citizens face. Recommendations from the AOA projects, the President's Task Force on Aging and the White House Conference on Food, Nutrition, and Health agree that the elderly have differing problems with regard to nutrition and they need to be met in a number of ways.

The AOA pilot projects have demonstrated that while "meals on wheels" as provided in the committee bill have proved extremely beneficial to older persons unable to leave their residences, statistics indicate that only approximately 4 percent of older persons are homebound at any one time. Further, they have found that for ambulatory older persons who have begun to withdraw from social contact, home-delivered meals may actually lead to further isolation. Plus, home-delivered meals cost more than meals prepared in group settings.

This is why the substitute extends the use of food stamps to group dining situations. AOA has found that nutrition programs in a group setting meet emotional needs of the elderly and improve their vigor and desire to live.

Commissioner Martin has testified to the Education and Labor Committee that—

> We cannot measure the benefits of these programs solely by the number of meals served, or the nutrient value they provide the older participant. Overcoming isolation and loneliness by providing opportunities for increased social contacts is a very important benefit, and one which may reduce the incidence of costly long-term medical care.

To participate in a group dining program a senior citizen or handicapped in-

dividual would still have to meet all the income and other criteria of the law. It should be pointed out that AOA data shows that most elderly poor oppose free meals if they can possibly contribute themselves toward the cost. I think the substitute offers an excellent opportunity to the handicapped and the aged to obtain the kind of nutritional help they need and that this is a very important provision of H.R. 19889.

In proposing the substitute we are not unmindful of the abuses in the program which have occurred in the past. Thus, we have tightened the fraud provisions of existing law, demanded the strictest accounting and verification of the incomes of students utilizing the program, prohibited commune residents from participation and imposed a combined registration and work requirement for the able bodied.

In short, we are proposing balanced legislation to eliminate a problem, not simply bandage it, and we have done so in a manner to guarantee that the deserving receive the assistance they need and the undeserving do not participate.

A word should be said here about the participation of strikers in the program. The work requirement would not force strikers back to their struck jobs, but it would require a striker to take similar work if available in his area or not permit him to qualify for benefits.

In closing it should be emphasized that the Nixon administration has made great improvements in our Federal feeding programs, more so than any previous administration.

On December 18, 1969, a new schedule of food stamp allotments and costs was put into effect. Under the new schedule, a family of four with a monthly income of $90 pays $22 for $106 stamp allotment. Previously, this family paid $40 for $70 allotment.

As of October 30, 1970, USDA family food assistance—food stamps and commodity distribution—helped an estimated 12.3 million needy persons. Of these an estimated 8.8 million were food stamp participants. This represents a 144-percent increase over the 3.6 million food stamp participants during December 1969 when improvements began allowing low-income families to pay less but receive more food coupons.

As of October 30, 1970, only 10 counties in the United States were either not participating or planning to participate in one of the Federal food programs. Quite an improvement over July 1969, when 410 counties and independent cities did not have any food assistance programs.

The Nixon administration has made $15 million in section 32 funds available to help State and local governments improve their commodity distribution programs.

Over 7,000 nutrition aides have been put into the field to aid in outreach and education and more than 5,000 families have been contacted since the start of this service in 1969.

USDA has updated its brochures both for outreach and education and has made them bilingual to serve Spanish-speaking Americans.

Special programs for expectant or new mothers from low-income families have also been started.

In the overall area of improving social services to the Nation's poor, the Nixon administration has, of course, proposed the family assistance plan with an accompanying package of social services reform. In the past our welfare programs have too often been considered and administered in isolation and disregard for other programs operating for the same clientele. The President is trying to coordinate services for both effectiveness and efficiency; to trim the welfare roles of the able bodied; and to give those who have physical, mental, or other disadvantages an opportunity to have a role in their own destiny.

As part of the FAP revisions submitted to the other body the President proposed transferring the food stamp program to the Department of Health, Education, and Welfare. I support this goal and hope that regardless of the outcome of the FAP legislation this transfer can be made as soon as possible. This is not a reflection on the dedication or ability of the Agriculture Department, but rather an attempt to consolidate social services so that the poor can be truly helped by Federal programs in a rational fashion.

It would be my further hope that we can enact the family assistance plan and eventually eliminate the food stamp program in favor of expanded FAP assistance with the necessary social services to help people help themselves to self-supporting and/or—in the case of those unable to work—self-fulfilling lives.

But a hungry child cannot wait for Congress to deliberate and enact long-range social reforms. This is why we must make the programs we now have as effective as possible and that is why I urge the enactment of the substitute food stamp proposal we have before us today.

Mr. BINGHAM. Mr. Chairman, the bill extending and amending the Food Stamp Act—H.R. 18582—which we have under consideration today does not go far enough toward meeting the concurrent problems of hunger and malnutrition in this country. This point was well expressed by a recent New York Times editorial, the text of which follows:

HUNGER IN AMERICA

One of the present Administration's hallmarks has been a timid unwillingness to fight for the enactment of some of the best of its domestic proposals, such as reform of the food program.

To Mr. Nixon's credit, he did call for elimination of hunger after careful investigations had painfully exposed its paradoxical presence in this land of agricultural surpluses. To his credit further, food programs have in fact been extended to millions of needy citizens. A year or so ago only about 20 percent of the hungry poor were receiving food program assistance, but today about 40 percent benefit from an expanded effort.

Now, however, the Administration seems all too willing to rest far short of its goal of abolishing hunger. The food stamp program permits the eligible poor to purchase food stamps at less than face value and to redeem these stamps at grocery stores. It is vital, pending enactment and implementation of a realistic Family Assistance Program, that the food stamp program be expanded still further. A bill passed by the Senate last year would do just this. One coming up for a vote in the House next week would not. It is an emaciated version of the Senate bill.

Members of the House committed to Mr. Nixon's pledge are backing a compromise. Their version, though still somewhat inferior to the Senate bill, deserves to pass. But it will only if Mr. Nixon, who has declared that "the moment is at hand to put an end to hunger in America," exerts some effort in its behalf.

Mr. Chairman, food stamps are a vital element in our battle to end hunger throughout the Nation. I have long supported it, and I led a group of 10 of my colleagues from New York City in August 1968 in urging Mayor Lindsay and Governor Rockefeller to institute a food stamp program in New York City. This past summer, the city did initiate such a program, but it has been hampered by administrative delays that will prevent thousands of eligible, hungry New Yorkers from buying and using food stamps for many months unless extraordinary measures are taken to clear up the present registration logjam.

The problem is simply this. New York City's Department of Social Services estimates that about 775,000 people who are not presently on welfare are eligible to purchase food stamps, but they must receive certification at their borough centers before they may purchase stamps. There are about seven such centers at present, and they cannot even process 100 people a day each. This number could be greatly increased, and the backlog correspondingly decreased, if all that were required of an applicant for food stamps were a simple declaration that he does, in fact meet the requirements. Spot checks would be made after the declaration to verify a family's need for the food stamps. Such a system would insure that the vast majority of families who need and are qualified for this assistance could receive it quickly, while the occasional faker would, in time, be caught and dealt with in the same manner as those who, for example, falsify tax returns.

A great many Government programs operate on this simple declaration procedure, and it should be adopted as part of the food stamp program. I proposed that it be adopted in September of this year after I visited the Kingsbridge Welfare Center where registration for the new New York food stamp program was taking place. That same afternoon, I met with officials from the Department of Agriculture, including Mr. Edward Heckman, the department's administrator of food and nutrition services. At that time, Mr. Heckman indicated that the department was working on a simplification of procedures along the lines I suggested, but that implementation of such a policy on a national scale would take time and that, in the meantime, New York City could not be given special treatment. A New York Times report of my visit to the Kingsbridge Center, and conditions there, follows:

DELAYS STYMIE NONWELFARE APPLICANTS FOR FOOD STAMPS

(By Francis X. Clines)

Elderly pensioners, members of working poor families and other nonwelfare applicants are experiencing delays of seven weeks

and longer in entering the city's new food stamp program.

City officials say the Federal requirements for investigating these low-income, nonwelfare applicants is the major cause of the delay. By contrast, poor persons who receive welfare aid have had a relatively easy time of it; they receive their authorization by mail.

Barbara Lee, a retired office worker, waited two hours in a long line outside the Kingsbridge welfare center in the Bronx yesterday, seeking to join the stamp program so that she might stretch her Social Security pension.

At the end of her wait, the white-haired woman entered the center, at 248 East 161st Street, and was told by a clerk to return Nov. 5—the earliest appointment available—and to produce various documents to verify her status.

"What am I supposed to do in the meantime, starve?" Miss Lee asked.

This is the first month of the food stamp program in the city and, in addition to the delays encountered by nonwelfare applicants, further delays were predicted at participating banks this week for those already enrolled.

A shortage of the coupons was reported at the banks, and officials of the United States Department of Agriculture said that an armored truck was bringing $4.1-million worth of stamps here last night from Washington to meet the demand expected with the scheduled mailing of welfare checks this week.

Under the program, certified applicants purchase the stamps at a discount with cash and then use the stamps to buy groceries. A family of five in the program pays $98 a month for stamps that are worth $126.

The city's Commissioner of Social Services, Jack R. Goldberg, yesterday described the stamp shortage as "indefensible" and accused Federal agricultural authorities of "a clear abdication of their responsibility."

SHORTAGE EXPLAINED

Federal authorities said, however, that the banks had not followed guidelines in distributing the various denominations of stamps to customers, and so a shortage had developed in books worth $2 and $10. Books worth $3 and $20 were reported on hand. The stamps themselves come in two denominations, $2 and 50 cents, bound into the four kinds of books.

The long delays experienced by nonwelfare applicants were described as "cruel and unnecessary" by Representative Jonathan B. Bingham, Democratic-Liberal of the Bronx, who visited the Kingsbridge welfare center yesterday and demanded an end to extensive paperwork. He called for the introduction of mobile registration units.

"Elderly and sick men and women are being forced to travel halfway across boroughs, pay double fare and stand in line for days on end, and still they can't get their food-stamp certification," the Congressman charged.

He noted that, in their first visit, applicants were being told to return weeks later with Social Security letters and check stubs, salary or unemployment records, rent receipts, utility bills, bank books and Medicaid records.

Mrs. Geatana Altieri, a 71-year-old widow, looked at the list in timid puzzlement after she had obtained an appointment for November.

"I'll try," she said. "But who's going to give me bank books?" she asked, indicating a confusion that might require more than one return visit.

Representative Bingham predicted the delays would prevent the bulk of the city's estimated 775,000 nonwelfare poor from entering the program until next year at the earliest. City welfare officials said, however, they hoped to make a "major announcement" soon relating to the opening of more outlets than the seven offices that are now processing nonwelfare applicants at a rate of about 50 each a day.

HONOR SYSTEM URGED

The Congressman joined the city in requesting that Federal agriculture authorities relax their requirements to end the verification of each applicant. Instead, the city wants a declaration system similar to that used for income-tax returns and regular welfare assistance, in which most persons are taken at their word, with about 10 per cent inspected in detail.

"I seen a woman faint on line here," Joseph Felton, a 70-year-old applicant, reported, saying he was on his seventh visit to the Kingsbridge center. He said he hoped to enlarge the buying power of his present total income—$139.40 in monthly Social Security.

"Broke?" he responded to a question. "My friend, I live on potato soup sometimes."

Mr. Chairman, I understand that a substitute to the committee bill will be offered by Messrs. FOLEY and QUIE. In my judgment, that substitute contains a number of provisions that would strengthen the food stamp program and offer greater assistance to the many hungry Americans who are being served, and need to be served, by this program. I cosponsored this substitute when it was offered as a separate bill. It is, in my judgment, a better version of this legislation than the committee bill, and I intend to vote for it at the appropriate time.

For one thing, Mr. Chairman, the Foley-Quie substitute provides specifically for the very type of streamlined and simplified certification procedure for prospective food stamp recipients that I have proposed and that would, if enacted into law, improve the implementation and increase the impact of the program immensely in New York City and elsewhere. The committee bill contains no such simplification of certification procedures, offering New Yorkers who are now in a position of having to wait months to have their claims for food stamps verified no relief.

The committee bill, I note, contains a provision that would require the States to contribute up to 10 percent of the costs of food stamp programs by 1975. This would amount to as much as $18 million a year in New York. Certainly New York is not alone among the States in its financial difficulties, and many States, including New York, would be hard pressed to meet this new financial obligation. I see no justification for suddenly seeking this kind of State contribution for programs which were initiated and which have been funded in the past by the Federal Government. The Foley-Quie substitute does not contain this regressive provision—another reason I support that substitute. Should the Foley-Quie substitute fail to be adopted by the House, I certainly feel that this State-financing provision should be stricken from the bill before it is passed by the House.

Mr. Chairman, I congratulate the gentleman from Washington (Mr. FOLEY) and the gentleman from Minnesota (Mr. QUIE) for developing their progressive version of the food stamp bill, and I urge my colleagues to join me in voting to adopt it.

Mr. GREEN of Pennsylvania. Mr. Chairman, I support and shall vote for the Foley-Quie Family Nutrition Act of 1970. I am proud to be a cosponsor of this legislation and I urge its adoption in place of the committee bill, H.R. 18582.

It is intolerable that hunger is still a very real fact of life for some Americans. It is even more intolerable when a committee of this House reports a bill that threatens to cut and curtail a program that offers some hope to the hungry of our cities and countryside. By its actions, the committee majority is saying that permanent hunger will always be with us and that we can do nothing about it. This position is unacceptable and it must be rejected. I think we can do something about hunger and in fact, we have begun to work on solving the problem. However, the committee bill would be a setback. I cite my city as proof.

The U.S. Department of Agriculture recent figures on participation in the food stamp program for the city of Philadelphia show some 98,939 recipients with a total bonus value of $888,048 for August 1970. Yet, the committee bill would restrict and reduce even this number of poor receiving food aid.

In the guise of States rights and a dubious State sharing, it would require the States to "buy in" to the program by paying some of the cost of bonus stamps; this provision is likely to provide a convenient way for some States to kill the program by pleading inadequate financial resources. By calling for reform and accountability against fraud, the committee bill includes a harsh work requirement that is both impractical and impossible to administer. In the guise of program expansion, the committee version prohibits the poorest of the poor—those Americans without cash incomes—from receiving free food stamps.

The substitute bill, H.R. 19889, would provide authorizations in the amounts of $2 billion for fiscal 1971 and increasing to $3 billion by fiscal 1973. Certification would be solely by statement rather than the present tedious and bureaucratic procedures. Free stamps would be provided those without incomes. Extended coverage would be guaranteed by allowing the Secretary of Agriculture to operate programs in counties and other governmental units that refuse to establish their own local programs.

No one contends, Mr. Chairman, that this substitute measure is going to end hunger. No one contends that the problem of poverty-induced malnutrition will be solved. But, we in the House have an obligation to make that effort. The consequences of our failure to do so have been described in graphic terms before committees of this body and the other body. We must respond with legislation that is neither restrictive nor crippling of current food assistance programs. The Foley-Quie Family Nutrition Act does make that effort in a way that is not restrictive and not crippling.

I urge adoption of H.R. 19889.

Mr. RARICK. Mr. Chairman, the debate thus far has been frightening with all the emotional rhetoric about hungry children and starving people. I find myself wondering if we are talking about the United States. If so, I wonder how the American people have ever survived our 194 years of national existence without food stamps. Certainly anyone reading this debate would question that our civilization has made any progress and the standard of living our people exist on.

Should we not also remind ourselves that the American people today have more in goods and services than ever before—that we are more affluent and have a greater abundance of food than ever. The only obvious difference between Americans today and our late forefathers is our money and our environmental education. Our money today is not worth as much as it once was and everybody has been led to feel that they have a right to live just like the millionaire Jones family they identify with on TV.

Instead of a saturation indictment against our society and belittling poor people as political pawns for sale, our country would be better served by seeking methods of disposing our surplus food to those in need and distress in our country. While we have fewer poor people per capita than any other nation in the world, our granaries are overfilled with surplus food and commodities. Not only is the United States one of the few countries in the world able to feed its own people but additionally we supply food for billions in other countries and still maintain a surplus.

If these masses of hungry and starving people are a reality instead of a hysteria, where has our system broken down? We have more churches than ever before, more charitable and fraternal organizations—all of whom believe in and practice charity. The American people themselves are more educated, tolerant, and reasonable than ever before. Yet by the populist urging of this measure are we not condemning every church, fraternity, and charitable organization by telling them they have forfeited their purpose and only the Federal Government can help the Nations' needy and hungry. If so what a far stretching indictment against our institutions—that we would stand back and leave our brother and neighbor suffer in hunger. I cannot buy this argument nor can I be sold the program that politicians and bureaucrats are more concerned over our unfortunates than our moral leaders. Under true charity the willing giver is always rewarded by his charity. But who ever heard of a food stamp recipient thanking the taxpayers?

Mr. Chairman, a lot has been said about deficit spending, inflation, consumerism, nutrition, and subsidies.

I want to make a few remarks on these points which have not been previously stated and which should be reflected upon before surrendering to emotion of the starving masses rather than facing hard and honest facts.

We hear only the good that the food stamp program promises to provide. There is another side to the program which should be heard if we are to understand fully the implications of this bill, if we are to intelligently decide if we are helping the people or hurting them.

Food stamps are not in themselves nutritious; at most, they can only offer the poor citizens an opportunity to offset the losses in their purchasing dollars because of inflation. Only if food stamps are used for the purpose intended—purchasing food that would provide for a more balanced and substantial diet—can they be said to have any value in alleviating nutrition problems. Whether this is done or not does not depend upon the food stamps but rather upon the user and the value he places on his dietary needs. If his first preference is for other than food—such as alcohol, tobacco, or personal pleasures then the additional buying power given him by food stamps can expect to be first reflected in personal pleasures and priorities. His diet may remain unchanged and the food stamp supplement would only result in giving him additional cash dollars to dispose of as he elects.

While certain items are ineligible for purchase with food stamps one would be naive not to understand that the extra buying power of the stamps also frees hard cash which is not regulated.

The consumers should recognize the food stamp program as being inflationary. The effect of the dumping of $1.420 billion into the food market can prove harmful to all consumers. The nonfood stamp marketer as well as the receipient can all be hurt by spiraling costs in foodstuffs. Additionally we will find the created buying power by the stamps coming in competition with the taxpayer's dollars in the marketplace.

Such was not the case with the commodity program which preceeded the food stamps. But we are led to believe the commodity program which helped the farmer by reducing the food surpluses was unpopular with the grocers because there was no profit.

Now the farmer, for whom free commodities helped as well as the poor can expect reduced help under this program—its use is not limited to U.S. farm products. In other words, the farmer who had been subsidized by the taxpayer in order to benefit the consumer with food prices as low as possible now has not only lost the farm surplus distributor of his food product but is also limited as to the amount he can receive as his payment limitation.

The anticipated result can but discourage farm production with increased prices to the consumer including the food stamp recipient.

Who will be the ultimate benefactor of the millions of dollars in newly created purchasing power poured into the marketplace except the merchant? Nationwide, this would mean that the greatest benefactor of the food stamp program will be the national chainstore grocers

Actually, what we are here doing is talking of a little temporary help to the poor while providing a taxpayers' subsidy for large grocery chains. I am sure you have heard grocers eager for additional food stamp appropriations comment that the food stamp intake may be the difference between profit and loss.

Perhaps what is needed is a $55,000 payment limitation for any person, company, or corporation in the collection of food stamps to place chainstores under the same subsidy limitations as farmers.

Interestingly enough, like many of our recent bills, the food stamp bill defines qualifications of households, families, and persons but never talks of citizens, inferring that the food stamp eligibility is not limited to American citizens but includes foreigners, aliens, and others. In fact, it can well be extended to the U.N. employees of emerging countries; this is borne out by a recent front-page story from the El Paso, Tex., Herald Post that more than 49,000 resident aliens—green card holders, will be eligible for food stamps in one Texas county. The story continues that for eligibility there is no need for proof of citizenship and an estimated 13,000 of the 49,000 actually live in Juarez, Mexico, but work in El Paso and will be eligible for food stamps.

During the hearings on the food stamp bill, I inquired of one energetic witness that if the real purpose for food stamps was for nutrition and freedom from hunger, would he support a bill to provide staple foods such as milk, sugar, potatoes, flour, and meat free to all Americans. His reply was negative, because he did not feel there was enough money in the world to pay the tab.

Nutrition and a healthful diet is not a problem limited to poor or low-income people. Doctors, lawyers, professional people, students, people from all walks of life—even Congressmen—who do not take time to eat properly or lack access to nutritious food can suffer from malnutrition.

It seems likewise strange that many who are so quick to castigate food stamps for strikers accept without question food stamps for nonworkers and those who may never have paid taxes.

As for the argument to outlaw food stamps to strikers, I only ask: "Why discriminate against strikers?" If the bill is a bad crutch for one class it should be bad for all.

Strikers are workers who have paid taxes and who in the future will work again and continue to pay taxes. Undoubtedly, they feel that if people who have never worked and who would not work if they were offered a job can receive food stamps then they feel they are entitled to them during their period of nonproductivity.

My only comment is that if the bill is to be considered good, everyone should and probably will find a way to get food stamps. If the bill is bad, lets vote it down and not merely discriminate against the strikers.

I fear the direction that this program is leading us will make the ancient circuses of Rome look like tea parties. If this bill passes the irrevocable die is cast.

I include a newsclipping from the November 18, 1970, El Paso Herald Post:

"GREEN CARDERS" QUALIFY AS FOOD STAMP CLIENTS—IMMIGRATION WITHOUT JURISDICTION—MORE THAN 49,000 RESIDENT ALIENS IN EL PASO COUNTY

(By Bob Ybarra)

The U.S. Immigration and Naturalization Service does not regard food stamp clients as public charges and feels it cannot force resident alien's sponsors to assure the alien does not become a public charge.

This position was expressed by James A. Banahan, deputy district director for the Immigration Service in El Paso. The question was brought up yesterday in a Herald-Post story revealing some of the 19,000 or more persons benefitting from the food stamp relief program were "green card" aliens.

"We have deported some resident aliens on grounds that they were public charges, but we cannot consider a person who obtains food stamps as public charges," said Banahan.

"At the same time, the Service regards affidavits signed by the alien's sponsor as a 'gentlemen's agreement' and experience shows such an agreement is not legally enforceable."

Mr. Banahan said he does not doubt that a number of "green carders" are benefitting from the food stamp program.

"This does not mean they are all commuter workers," he said.

There is really no effective way in which it can be proven a green card holder is actually a commuter worker.

Banahan said if green card commuters were actually obtaining food stamps then they must have told the Food Stamp Center workers they lived in El Paso.

The food Stamp Center only requires the applicant live in El Paso. There is no need for proof of citizenship.

The Immigration Service estimates there are 49,000 resident aliens (green card holders) in El Paso County. Of that number, an estimated 13,000 are commuter aliens who live in Juarez but work in El Paso.

All persons admitted as resident aliens are issued visas by the American Consulate in Juarez. Both the commuter alien and immigrant who intends to become a U.S. citizen start their paperwork in this manner in Juarez.

Once he obtains the visa, the alien (commuter or otherwise) surrenders the visa at the border and is given a "green card" as proof he is a resident alien intending to become a U.S. citizen. Immigration regulations, however may be construed to allow such an alien to work in El Paso and live in Juarez.

According to U.S. Consul Gori Bruno, in Juarez, most of the visas processed by that office are for family re-unification purposes, and for immediate relatives of U.S. citizens or resident aliens. Only a few visas are granted through work permits.

"Persons exempt from the numerical limitation of 120,000 set for Western Hemisphere immigrants include spouses of American citizens, children (under 21) of U.S. citizens and resident aliens, and parents of U.S. citizens with the children being over 21 years of age, explained Mr. Bruno.

Bruno said in the case of exempt applicants, the waiting period for visas is 14 months. He said in case of spouses of American citizens visas are processed immediately.

According to sources, many single American women have served to speed up resident alien status for Mexican males by marriage, followed in some cases by abandonment by the husband, once he obtains his green card.

Another sore spot has been with the Selective Service Board, in which a Mexican born child of a U.S. citizen or resident alien may choose to claim Mexican citizenship abandoning his resident status when he becomes of military service age. The Mexican government is moving to solve this problem through an act of Congress which abolished the present recognition of such status as dual citizenship.

Mr. BELCHER. Mr. Chairman, I have no further requests for time.

Mr. POAGE. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

H.R. 18582

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

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

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

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

[Roll No. 417]

Adair	Foreman	O'Konski
Anderson, Ill.	Giaimo	Ottinger
Aspinall	Gilbert	Pepper
Ayres	Goldwater	Poff
Berry	Gubser	Powell
Blackburn	Halpern	Purcell
Blanton	Hébert	Quillen
Bolling	Heckler, Mass.	Reid, N.Y.
Brock	Horton	Reifel
Brown, Calif.	Hull	Rivers
Brown, Mich.	Jarman	Rogers, Colo.
Burke, Fla.	Kee	Roudebush
Burton, Utah	King	Satterfield
Button	Kluczynski	Schadeberg
Carey	Langen	Scheuer
Celler	Leggett	Sebelius
Clancy	Long, La.	Steiger, Ariz.
Clark	Lujan	Stokes
Clay	Lukens	Teague, Tex.
Corbett	McCulloch	Thompson, N.J.
Cramer	McKneally	Tiernan
Cunningham	MacGregor	Tunney
Daddario	May	Vander Jagt
Dellenback	Meskill	Vigorito
Dorn	Michel	Weicker
Dowdy	Miller, Calif.	Whitehurst
Dwyer	Mink	Whitten
Edwards, La.	Minshall	Wilson, Bob
Evans, Colo.	Mize	Wilson, Charles H.
Fallon	Morton	
Farbstein	Mosher	Winn
Fish	Moss	Wolff
Flynt	Murphy, N.Y.	
Ford, William D.	Nichols	
	O'Hara	

Accordingly the Committee rose; and the Speaker pro tempore (Mr. BOGGS) having resumed the chair, Mr. MATSUNAGA, 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. 18582, and finding itself without a quorum, he had directed the roll to be called, when 333 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. FOLEY

Mr. FOLEY. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. FOLEY: Strike everything after the enacting clause and insert in lieu thereof the following:

That this Act may be cited as the "Family Nutrition Act of 1970".

DECLARATION OF POLICY

SEC. 2. Section 2 of the Food Stamp Act of 1964, as amended, is amended to read as follows:

"It is hereby declared to be the policy of Congress, in order to promote the general welfare, that the Nation's abundance of food should be utilized cooperatively by the States, the Federal Government, local governmental units, and other public agencies or private nonprofit organizations to safeguard the health and well-being of the Nation's population and provide adequate levels of food consumption and nutrition among low-income households. The Congress hereby finds that the limited food-purchasing power of low-income households contributes to hunger and malnutrition among members of such households. To alleviate such hunger and malnutrition, a food stamp program is herein authorized which will permit low-income households to purchase a nutritionally adequate diet through normal channels of trade."

DEFINITIONS

SEC. 3. Subsections (b), (e), (f), and (j) of section 3 of the Food Stamp Act of 1964 are amended to read as follows and new subsections (l), (m), and (n) are added thereto:

"(b) The term 'food' means (1) any food or food product for home consumption regularly available in domestic supply, except alcoholic beverages and tobacco; and (2) meals prepared by a public agency or private nonprofit organization for consumption by the handicapped or persons of sixty years or over who are not residing in an institution or boardinghouse."

"(e) The term 'household' means a group of related or nonrelated individuals (other than a group of six or more individuals among whom no more than two are related by blood, marriage, or adoption), who are not residents of an institution or boardinghouse, but are living as one economic unit sharing common cooking facilities and for whom food is customarily purchased in common; a single individual living alone who has cooking facilities and who purchases and prepares food for home consumption; and any person who is handicapped or is sixty years or over and who is not residing in an institution or boardinghouse."

"(f) The term 'retail food store' means an establishment, including a recognized department thereof; a house-to-house trade route which sells food to households for home consumption; and a public agency or private nonprofit organization which provides meals to the handicapped or persons of sixty years or over at any location other than a resident institution or boardinghouse."

"(j) The term 'State' means each of the fifty States, the District of Columbia, and, after July 1, 1971, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and, if the Secretary after consultation with the Secretary of the Interior determines, American Samoa: *Provided*, That, in the case of Puerto Rico, the Virgin Islands, Guam, and American Samoa, the Secretary may pursuant to section 7. establish coupon allotments and proportionate charges for said allotments that reflect the cost of obtaining a nutritionally adequate diet in such places, but in no event shall the coupon allotments or charges so established be less than 80 per centum of the allotment and charge applicable in the fifty States and the District of Columbia."

"(l) The term 'operating agency' means any State agency or the Secretary or any public agency or private nonprofit organization administering any program pursuant to section 4 and/or section 10(g) of this Act.

"(m) The term 'authorization to purchase card' means any document issued by the State agency to an eligible household which shows the face value of the coupon allotment the household is entitled to be issued on presentment of such document and the amount to be paid by such household for such allotment.

"(n) The term 'handicapped' means any person who is, because of a physical or mental handicap, unable adequately to prepare meals for himself."

ESTABLISHMENT OF THE FOOD STAMP PROGRAM

SEC. 4. Subsections (a) and (b) of section 4 of the Food Stamp Act of 1964, as amended,

are amended as follows: subsection (c) is renumbered subsection (d), and a new subsection (c) is added thereto as follows:

"(a) The Secretary is authorized to formulate and administer a food stamp program under which eligible households within a State will be provided with coupon allotments of sufficient monetary value to enable them to purchase a nutritionally adequate diet. Such program shall be carried out in any State at the request of the appropriate agency of such State or by an operating agency pursuant to section 10(g) of this Act. The coupons so received by such households shall be used only to purchase food from retail foodstores which have been approved for participation in the food stamp program. Coupons issued and used as provided in this Act shall be redeemable at face value by the Secretary through the facilities of the Treasury of the United States.

"(b) In areas where the food stamp program is in operation, there shall be no distribution of federally donated foods to households under the authority of any other law except that distribution thereunder may be made: (1) during temporary emergency situations when the Secretary determines that commercial channels of food distribution have been disrupted because of a disaster; (2) to effect an orderly transition in an area in which the distribution of federally donated foods to households is being replaced by a food stamp program until such time as the number of persons participating in the food stamp program in that area exceeds the monthly average number of persons who received federally donated foods during the three-month period immediately prior to the initiation of the food stamp program; or (3) on request of the State or any public agency or private nonprofit organization, if the State or such agency or organization agrees to finance all of the costs, subsequent to the delivery of such foods within the State, of handling, storing, and issuing federally donated foods to eligible households in the area. Except during temporary emergency situations when commercial channels of food distribution have been disrupted because of a disaster, no household shall concurrently participate in both the food stamp program and a program of distribution of federally donated foods.

"(c) The Secretary, in administering a program of distribution of federally donated foods under this section or section 32 of Public Law 74-320, as amended, or section 416 of the Agricultural Act of October 31, 1949, as amended, shall take whatever steps he deems necessary, including the use of private retail food outlets and public agencies or private nonprofit organizations to insure that, (1) households with annual income and resources within the criteria established by the Secretary under section 5(b) of this Act shall be eligible to receive foods under this program and in accordance with the certification procedure set forth in section 10(b)(1) of this Act; (2) each recipient household shall have convenient access, in terms of time and place, to foods of sufficient caloric quantity and, insofar as possible, to foods that provide a nutritionally adequate diet; and (3) fortified foods shall be provided in areas with known nutritional deficiencies in order to overcome those particular deficiencies."

ELIGIBLE HOUSEHOLDS

SEC. 5. Section 5 of the Food Stamp Act of 1964, as amended, is amended to read as follows:

"(a) Any household shall be eligible to participate in the food stamp program upon certification by the operating agency that the disposable income and other financial resources of such household, as determined in accordance with the certification procedure contained in section 10(b)(1) of this Act, do not exceed the standards determined by the Secretary pursuant to subsection (b) of this section.

"(b) The Secretary shall, in consultation with the Secretary of Health, Education, and Welfare, annually establish uniform national income and resources standards of eligibility for participation by households in the food stamp program that shall be effective wherever the food stamp program is in operation. In no case shall the income eligibility criteria to be established by the Secretary be less than the equivalent of $4,000 per year for a household composed of four persons. Nor shall the Secretary include in the resources of a household, its home, household goods, personal effects, or other property essential to the household's means of self-support, nor shall any of the property referred to above be subject to legal process in connection with the administration of the food stamp program or any program of distribution of federally donated foods, except in the case of fraud. The Secretary may also establish temporary emergency standards of eligibility, without regard to income and other financial resources, for households that are victims of disaster which disrupted commercial channels of food distribution when he determines that such households are in need of temporary food assistance, and that commercial channels of food distribution have again become available to meet temporary food needs of such households.

"(c) The Secretary shall require every individual who is a member of a household which is either participating in the food stamp program as of the date on which this subsection is implemented by the promulgation of regulations or seeks thereafter a participate in the food stamp program, other than an individual described by clause (1), (2), (3), (4), (5), or (6) of subsection (d), to register for employment with the local public employment office. In the case of any member of the household which is eligible for the food stamp program who is not required to register pursuant to subsection (d) because of such member's disability or handicap, provision shall be made for referral of such member to the appropriate State agency administering or supervising the administration of the State plan for vocational rehabilitation services approved under the Vocational Rehabilitation Act. If and for so long as any such individual who is participating in the food stamp program as of the date on which this subsection is implemented by the promulgation of regulations is found by the operating agency, after reasonable notice and an opportunity for a fair hearing held in the same manner and subject to the same conditions as a hearing under section 10(e)(4) of this Act, to have failed to register for employment without good cause, the continued eligibility of the household of which the individual is a member shall not be affected, but the value of the coupon allotment authorized to be issued to such household pursuant to section 6(a) of this Act shall be reduced by an amount which bears the same ratio to the amount determined by subtracting from that authorized allotment the amount charged therefor pursuant to section 6(b) of this Act as the number of such unregistered individuals in such household bears to the total number of individuals in such household. In the case of an individual who is a member of a household which seeks to participate in the food stamp program after the date on which this subsection is implemented by the promulgation of regulations and who, in the opinion of the operating agency, has failed to register for employment without good cause, the household shall not be ineligible to participate in the food stamp program. But, if the household is certified as eligible to participate under subsection (a) above, the value of the coupon allotment authorized to be issued to such household upon certification as eligible shall be reduced in accordance with the method set forth for households already participating and the full value shall not be restored until such time as either the individual registers for employment or the operating agency determines, after providing said individual reasonable notice and an opportunity for a fair hearing held in the same manner and subject to the same conditions as a hearing under section 10(e)(4) of this Act, that the individual's failure to register for employment is for good cause.

"(d) An individual shall not be required to register pursuant to subsection (c) if such individual is—

"(1) ill, incapacitated, or over sixty years of age;

"(2) a mother or other relative of an individual under the age of sixteen who is caring for such individual;

"(3) an individual under the age of sixteen;

"(4) an individual sixteen years old or over who is regularly attending a secondary school or an institution of higher education as defined in the Higher Education Act of 1965, Public Law 89-329, as amended, or a course of vocational or technical training designed to prepare him for gainful employment;

"(5) one whose presence in the home on a substantially continuous basis is required because of the illness or incapacity of another member of the household; or

"(6) an individual sixteen years old or over who is employed at least thirty-five hours per week or earns at least $56 per week.

"(e) If, and for so long as an individual registered under subsection (c) has been found by the operating agency to have refused without good cause to participate in suitable employment in which he is able to engage which is offered through the public employment offices of the State, or is otherwise offered by an employer if the offer of such employer is determined by the operating agency after notification by such employer or otherwise, to be a bona fide offer of employment, the eligibility of the individual's household shall not be affected, but the value of the coupon allotment authorized to be issued to such household shall be reduced in accordance with the method set forth in subsection (c) above. Before the operating agency makes such a reduction, it shall afford such individual reasonable notice and opportunity for a fair hearing held in the same manner and subject to the same conditions as a hearing under section 10(e)(4) of this Act.

"(f)(1) In determining whether any employment is suitable for an individual for purposes of subsection (f), the operating agency shall consider the degree of risk to such individual's health and safety; his physical fitness for the work; his prior training, experience, earnings, and his realistic prospects for obtaining work based on his potential; and the distance of the available work from his residence.

"(2) In no event shall any employment be considered suitable for an individual—

"(A) if the position offered is vacant due directly to a strike, lockout or other labor dispute;

"(B) if the wages payable for such job are at a rate less than whichever of the following is the higher: (I) the rate prevailing for similar jobs in the locality; (II) the minimum hourly rate which is or would be applicable to the job under the Fair Labor Standards Act of 1938 if section 6(a)(1) of such Act, as amended, applied to the job; or (III) the State or local minimum wage.

"(3) The operating agency shall delegate to the appropriate public employment office the responsibility for making the determination required in (1) and (2) above.

"(g) The provisions of subsections (e) and (f) shall not become effective until three

hundred days after the enactment of this Act or until the food stamp program becomes effective nationwide pursuant to section 10(g)(1) of this Act, whichever occurs sooner."

VALUE OF THE COUPON ALLOTMENT AND CHARGES TO BE MADE

SEC. 6. Subsections (a) and (b) of section 7 of the Food Stamp Act of 1964, as amended, are amended to read as follows:

"(a) The value of the coupon allotment which operating agencies shall issue to households certified as eligible to participate in the food stamp program pursuant to section 5(a) of this Act shall supply the equivalent of at least 35 cents per person per meal for the fiscal year ending June 30, 1971; and, for each subsequent fiscal year, shall supply the equivalent of at least 35 cents per person per meal adjusted to reflect the cumulative percentage change in the Consumer Price Index for food (United States city average) since July 1, 1970, as compared by the Bureau of Labor Statistics in the United States Department of Labor: *Provided*, That if the Secretary determines that the appropriation for the fiscal year ending June 30, 1971, or the amounts authorized in section 16 of this Act for fiscal year 1972 or 1973 are insufficient for the entire fiscal year, the Secretary is authorized to reduce the value of the coupon allotment for any subsequent period of such fiscal year, in order not to exceed such appropriation or authorization, but in no event shall the value of the coupon allotment be adjusted downward to less than the equivalent of 30 cents per person per meal or the economy food plan, as currently defined by the Secretary, whichever is higher: *Provided further*, That the Secretary shall review such appropriation or authorization at least quarterly in each fiscal year and shall advise the Committee on Agriculture of the House of Representatives, the Committee on Agriculture and Forestry of the Senate, and the Committee on Appropriations of the House of Representatives and the Senate of his decision on the value of the coupon allotment during the subsequent quarter of such fiscal year thirty days prior to instituting any such reduction in the value of coupon allotment.

"(b) The amount which an operating agency shall be authorized to charge any eligible household for the coupon allotment issued to it shall not exceed 30 per centum of the net income of such household: *Provided*, That no charge shall be imposed upon any such household whose income is equal to or less than the equivalent of $30 per month for a household composed of four persons for the fiscal year ending June 30, 1971, and for each subsequent fiscal year such sum in excess of $30 per month for a household composed of four persons as the Secretary shall determine: *Provided further*, That the amount which an operating agency shall be authorized to charge any eligible household whose income is equal to or less than the equivalent of $167 per month for a household composed of four persons shall not exceed 25 per centum of the income of such household."

ADMINISTRATION

SEC. 7. Subsections (a), (b), and (e) of section 10 of the Food Stamp Act of 1964, as amended, are amended to read as follows: subsection (f) is deleted; subsection (g) is renumbered subsection (f); and new subsections (g) and (h) are added thereto:

"(a) The food stamp program shall be administered to insure that participants are afforded the opportunity to receive at schools, at approved retail foodstores, in their homes, or at other appropriate places convenient to participants, instruction and counseling to enable such participants to use their increased purchasing power to obtain those foods most suitable for a nutritionally adequate diet, and further to insure that participants have available to them information regarding their rights and obligations under the program. The food stamp program shall also be administered to inform all households potentially eligible to participate in the program of its existence and to give them such assistance as may be required to enable them to make application for the benefits of this Act. In addition to such steps as may be taken administratively, the cooperation of existing Federal, State, local, public agencies, or private nonprofit organizations which carry out information and education programs for consumers shall be enlisted for the purpose of providing nutrition counseling for eligible households, using such authorities as may be available to the Secretary or in cooperation with other agencies of the Federal Government.

"(b) Subject to the following conditions, the operating agency shall assume responsibility for the certification of applicant households and for the issuance of coupons:

"(1) Applicant households shall be certified for eligibility solely on the basis of a simplified statement, conforming to standards prescribed by the Secretary, and said statement shall be acted upon and eligibility certified within seven days following the date upon which the statement is initially filed. The Secretary shall, however, provide for adequate and effective methods of verification of the eligibility of recipients subsequent to certification through the use of sampling and other scientific techniques. The Secretary shall also take steps to insure the subsequent verification of the income of every household which includes a member who has reached his eighteenth birthday and is attending an institution of higher education as defined in the Higher Education Act of 1965, Public Law 89-329, as amended. If a household, certified as eligible in any political subdivision, moves to another political subdivision in which the food stamp program is operating, the household shall remain eligible to participate in the food stamp program in such other political subdivision in accordance with the prior certification. Recertification of households, whose participation in the program has been ordered curtailed and such limitation upheld by the Secretary on review pursuant to section 10(h) of this Act, shall be under such terms and conditions as the Secretary may prescribe.

"(2) In cities and towns with populations of under twenty-five thousand, the postmaster or other person in charge of the United States post office in such place shall, upon request of the Secretary, assume responsibility for the issuance of coupons and the collection from eligible households of the amounts charged therefor. In all other places, the operating agency may make arrangements subject to such regulations as the Secretary may prescribe for such issuance and collection through post offices, banks, credit unions, community action agencies, other private enterprises, other public agencies or private nonprofit organizations, or in such other manner as shall best insure the participation of eligible households. Coupons shall be issued in each food stamp area on a weekly schedule and there shall be no requirement of regular participation. Notwithstanding any other provision of law, a household may, if it so elects, purchase a coupon allotment having a value which is less than the value of the coupon allotment it is entitled to purchase at a proportionately reduced charge in accordance with a schedule of variable purchases established by the Secretary. The amount to be paid by a household for its coupon allotment may be withheld from any payment made by a State or the Federal Government to such household under the Social Security Act, as amended, if such withholding is requested by such household. There shall be kept such records as may be necessary to ascertain whether the food stamp program is being conducted in compliance with the provisions of this Act or regulations issued pursuant thereto. Such records shall be available for inspection and audit at any reasonable time and shall be preserved for such period of time, not in excess of three years, as may be specified in the regulations."

"(e) The State agency of each State shall submit for approval a plan of operation specifying the manner in which such State intends to conduct such program. Such plan of operation shall provide, among such other provisions as may by regulation be required, the following: (1) for the use of the eligibility standards promulgated by the Secretary under section 5 of this Act and the certification procedures specified in subsection (b)(1) above; (2) safeguards which restrict the use of disclosure of information obtained from applicant households to persons directly connected with the administration or enforcement of the provisions of this Act or the regulations issued pursuant to this Act or to State or local prosecuting attorneys; (3) that the State agency shall undertake to inform low-income households concerning the availability and benefits of the food stamp program and encourage the participation of all eligible households; (4) for the granting of a fair hearing and a prompt determination thereafter to any household aggrieved by the action of a State agency under any provision of its plan of operation as it affects the participation of such household in the food stamp program, and (5) for the submission of such reports and other information as may from time to time be required."

"(g)(1) Within one hundred and eighty days after the approval of this Act, if a food stamp program is not being operated by the State agency in every political subdivision of any State, the Governor of the State shall have the right directly to administer the food stamp program in any such subdivision in which the program is not being operated. If the Governor should fail so to act within two hundred and ten days after the approval of this Act, the Secretary shall directly administer the food stamp program in any such subdivision through any appropriate Federal, State, or county agency or through any public agency or private nonprofit organization approved by the Secretary: *Provided, however*, That the Secretary may allow an additional ninety days before so directly administering the food stamp program in any such subdivision if he finds such additional time is necessary to overcome bona fide and extraordinary administrative difficulties.

"(2) If, one hundred and eighty days after a food stamp program has begun to operate in a political subdivision in any State, a three-month period should occur in the course of which the number of persons participating in that program is less than one-third of the number of persons in that subdivision who are from households whose annual income is below the poverty level as determined by the Secretary in consultation with the Secretary of Health, Education, and Welfare (which number shall be determined annually on the basis of the most recent available data from the Secretary of Commerce), the Governor of the State in which such subdivision is located shall have the right directly to administer the food stamp program in such subdivision. If the Governor refuses to exercise his right or fails to do so within thirty days of being notified of said right, the Secretary may directly administer such program in such subdivision or administer such program through any appropriate Federal, State, or county agency or through any public agency or private nonprofit organization approved by the Secretary. When the Secretary administers a food stamp program through a public agency or private nonprofit organization, he shall re-

quire the public agency or private nonprofit organization to observe all the appropriate provisions of this Act and regulations issued pursuant thereto.

"(h)(1) If the operating agency finds, after reasonable notice and an opportunity, upon written request, for a fair hearing held in the same manner and subject to the same conditions as a hearing under section 10(e)(4) of this Act, that a household has fraudulently received authorization to purchase cards which it was not eligible to receive or has fraudulently received a coupon allotment larger than that to which it was entitled, the agency shall undertake promptly to remedy such situation by recommending (A) that the household's participation in the program be suspended or terminated, or (B) in the event that such household is found to have received an excessive coupon allotment or allotments that reduction be made in the value of the coupon allotment authorized to be issued to such household pursuant to section 6(a) of this Act by an amount which bears the same ratio to the amount determined by subtracting from that authorized allotment the amount charged therefor pursuant to section 6(b) of this Act as the number of the members of such household responsible for fraudulently securing the excessive allotments bears to the total number of individuals in such household.

"(2) The operating agency shall notify the affected household and the Secretary in writing of its findings and recommendations, which, if suspension, termination, or reduction of allotments is recommended, shall become effective upon notification. The Secretary, upon receipt of this notice, shall proceed to review the record of the fair hearing as well as the operating agency's findings and recommendations, shall determine whether to affirm, reverse, modify, or otherwise dispose of either the findings or the recommendations, and shall notify the affected household in writing of his decision. The determination of the Secretary upon such appeal is final and conclusive and shall not be subject to further review by any court."

VIOLATIONS AND ENFORCEMENT

SEC. 8. Subsections (a) and (b) of section 14 of the Food Stamp Act of 1964, as amended, are amended to read as follows:

"(a) The Secretary may provide for the purchase, issuance, or presentation for redemption of coupons to such persons and at such times and in such manner as he determines necessary or appropriate to insure enforcement of the provisions of this Act or the regulations issued pursuant to this Act. The Secretary shall direct the Inspector General of the United States Department of Agriculture to provide a special unit within the Office of Inspector General which shall audit operations of this Act and of the regulations issued pursuant to this Act. The Secretary shall, in cooperation with the Secretary of the Treasury, take such action as he deems necessary to prevent the theft, misappropriation, or counterfeiting of food coupons or authorization to purchase cards and may provide for periodic changes in the color of coupons and for serially numbering coupons so that the households to whom such coupons are issued may later be identified.

"(b) Whoever knowingly makes a false affidavit for the purpose of obtaining coupons or authorization to purchase cards or whoever knowingly uses, transfers, acquires, alters, or possesses coupons or authorization to purchase cards in any manner not authorized by this Act or the regulations issued pursuant to this Act shall, if such coupons or authorization to purchase cards are of the value of $100 or more in excess of what that person would otherwise be entitled to pursuant to this Act be guilty of a felony and shall, upon conviction thereof, be fined not more than $10,000 or imprisoned for not more than five years, or both, or, if such coupons or authorization to purchase cards are of a value of less than $100 in excess of what that person would otherwise be entitled to pursuant to this Act shall be guilty of a misdemeanor and shall, upon conviction thereof, be fined not more than $5,000 or imprisoned for not more than one year, or both."

COOPERATION WITH STATE AGENCIES

SEC. 9. Subsection (b) of section 15 of the Food Stamp Act of 1964, as amended, is amended to read as follows:

"(b) The Secretary is authorized to pay to each State agency an amount equal to 62½ per centum of the sum of: (1) the direct salary, travel, and travel-related cost (including such fringe benefits as are normally paid) of personnel, including the immediate supervisors of such personnel, for such time as they are employed in taking the action required under the provisions of subsections 10(a) and 10(e)(3) and (4) of this Act and in making certification determinations for households other than those which consist solely of recipients of public assistance. In addition, the Secretary shall pay an operating agency in a State 50 per centum of the cost of issuing coupons to eligible households and of collecting the sums required from eligible households as payment therefor if the number of persons participating in the food stamp program administered by such agency is equivalent to or greater than 50 per centum of the number of persons in the political subdivision covered by that program who are from households whose annual income is below the poverty level as established by the Secretary pursuant to section 10(g)(2) of this Act. In the event that a public agency or private nonprofit organization is authorized to administer the food stamp program in any food stamp area in accordance with the provisions of section 10(g) of this Act or that such an agency or organization undertakes activities pursuant to section 10(a) the Secretary is authorized and directed to reimburse such agency or organization for all of the costs it incurs in carrying out such program administration or activities."

APPROPRIATIONS

SEC. 10. Section 16 of the Food Stamp Act of 1964, as amended, is amended to read as follows:

"(a) To carry out the provisions of this Act, there is hereby authorized to be appropriated not in excess of $2,000,000,000 for the fiscal year ending June 30, 1971; not in excess of $2,500,000,000 for the fiscal year ending June 30, 1972; and not in excess of $3,000,000,000 for the fiscal year ending June 3, 1973. Sums appropriated under this section shall, not withstanding the provisions of any other law, continue to remain available for the purposes of this Act until expended. Such portion of any such appropriation as may be required to pay for the value of the coupon allotments issued to eligible households which is in excess of the charges paid by such households for such allotment shall be transferred to and made a part of the separate account created under section (d) of this Act. If the Secretary determines that any of the funds in such account are no longer required to carry out the provisions of this Act, such portion of such funds shall be paid into the miscellaneous receipts of the Treasury. Of the sums appropriated under this section, the Secretary is authorized to conduct, or to contract for the services of public agencies or private nonprofit organizations, for the purpose of research, demonstration, or evaluation projects designed to test or assist in the development of new approaches or methods to achieve the purposes of this Act.

"(b) On or before September 1 of each fiscal year, the Secretary shall submit to the Committee on Agriculture of the House of Representatives, the Committee on Agriculture and Forestry of the Senate, and the Appropriations Committees of the House of Representatives and the Senate a report setting forth operations under this Act during the preceding fiscal year, including—

"(1) the effectiveness of those provisions of section 10(h) of this Act relating to households receiving authorization to purchase cards, or coupons to which they were not entitled;

"(2) the percentage of those eligible participating in the program in each political subdivision in which the program is in operation; and

"(3) the projected participation for the fiscal years in which the report is submitted, and a comprehensive explanation of the premises upon which these calculations are made."

Mr. FOLEY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment in the nature of a substitute may be considered as read and printed in the RECORD.

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

There was no objection.

Mr. FOLEY. Mr. Chairman and members of the committee, in May 1969 the President of the United States, in a historic message, asked the Congress to help him "put an end to hunger in America itself for all time." The President acknowledged that there could be no doubt that hunger and malnutrition existed in America on a scale previously unacknowledged. He stated that in order to assure the health and well-being of the millions of Americans who were too poor to feed their families properly it would be necessary to provide them with sufficient food income. His chosen vehicle for accomplishing this and thereby ending hunger in America itself for all time was a reformed and greatly improved food stamp program.

Now on a snowy December night some 19 months later this House has the opportunity to help fulfill the President's pledge. It can do that by voting for precisely such a reformed and greatly improved food stamp program. That program is contained in the so-called Foley-Quie substitute, introduced on December 1, 1970, as H.R. 19889, the Family Nutrition Act of 1970. The Foley-Quie substitute is designed to replace the House Agriculture Committee bill, H.R. 18582. The committee bill, as the chairman of the committee himself admitted on Tuesday, December 1, before the House Rules Committee, was never intended to solve the problem of hunger and malnutrition. The committee bill is not in redemption of the President's promise. The reach of the committee bill is expressly limited in its declaration of policy merely to raising levels of nutrition among low-income households. The impact of its specific provisions may unfortunately be the opposite, for the amendments to the food stamp program it proposes are seriously regressive in their potential impact. Rather than increasing the possibility that the 24.3 million poor individuals in this country may soon have sufficient resources to afford an adequate diet, the committee bill may operate to decrease the number of impoverished families with access to food stamps. The essence

of that bill is to make it harder, not easier for a poor family to obtain food stamps. Today, when only one-third of those in need are reached by the program, the thrust of any changes in the program should be to facilitate the program's extension to the other two-thirds.

That is why we have proposed this substitute. The Foley-Quie substitute is intended to provide adequate levels of food consumption and nutrition for the poor. It would entail a major restructuring of the present food stamp program to enable it to zero in effectively and efficiently and exclusively upon the hungry and malnourished poor in our midst, including the growing number of unemployed persons whose impressive history of work has been interrupted by the recession. Every one of its provisions is tailored to expanding participation to include all, not just some, of the poor, wherever they may happen to live.

The substitute would accomplish this objective by revising the program so that it would:

Provide food stamps worth at least 35 cents per person per meal;

Charge food stamp purchasers no more than 30 percent of their net income, with free food stamps given to the completely destitute (income of less than $30 a month for a family of four) and cheaper stamps available to the hard-core poor—income of less than $167 a month for a family of four;

Operate nationwide within 300 days of passage to reach the malnourished in every county in the country;

Ease county and State financial burdens by reducing the rigamarole of administration—for example, by authorizing post office issuance of stamps—while raising the Federal share of costs, especially when participation levels are high;

Extend eligibility to every needy person from a household of four—or the equivalent—with an income of $4,000 or less;

Cut the expensive red tape of bureaucratic certification procedures in favor of self-certification;

Enable the elderly to buy meals—and not merely groceries—from nonprofit groups and thus help them to overcome the physical and psychological barriers to an adequate diet;

Permit poor persons in Puerto Rico, the Virgin Islands, and Guam to enjoy proper nutrition;

Mandate weekly issuance of stamps to make payment schedules more flexible and realistically tailored to the cash flow of the poor;

Allow the food stamp and commodity distribution programs to operate concurrently in a given area under special conditions;

Run for 3 years under authorizations set within reasonable limits projected by administration budgetmakers—$2 billion in fiscal year 1971; $2.5 billion in 1972; $3 billion in 1973.

At the same time, in order to be certain that the program would serve only the hungry and malnourished poor and not encompass undeserving recipients, the Foley-Quie substitute would:

Impose a combined registration and work requirement aimed at curtailing the distribution of food stamps to able-bodied adults—other than mothers with children—who refuse the offer of suitable jobs at the minimum wage or above, while permitting their families to continue to be fed adequately;

Tend to discourage participation by residents of communes;

Demand the strictest accounting and subsequent verification of the incomes of college students utilizing the program;

Require the swiftest possible denial or reduction of benefits—consistent with due process—to individuals who attempt to deceive.

In addition, the substitute would revise the commodity distribution program to further its delivery of nutritious foods and authorize research and demonstration projects to safeguard the Nation's nutritional well-being.

This brief summary of the scope of the substitute does not do justice to its particulars. That the House may come to understand the meaning of each of its provisions and the intent of those who labored to shape it into a coherent whole, I shall attempt to describe some of the details of the new food stamp program it envisions.

DECLARATION OF POLICY

The basic purpose of the Food Stamp Act under the substitute—section 2—is to provide adequate nutrition for low-income families. The present act refers to safeguarding health "to the maximum intent practicable." The committee bill cautiously refers to the act's policy "to raise levels of nutrition." Neither of these versions suit the central thrust of the substitute, which is to eliminate hunger and malnutrition. Increasing the food purchasing power of the poor may, as a partial byproduct, promote the distribution of our agricultural abundance and strengthen our agricultural economy—at a $2 billion level, food stamps would add 2 percent to our expenditures on farm produce and foodstuffs—but the primary aim of the revised program is to aid the poor. There is no real conflict between their interests and these of the farmers, but the interest of the poor is foremost in this bill.

GEOGRAPHIC COVERAGE

The committee bill purports to extend the program to families in outlying areas of the United States, but it does so on a niggardly basis. The substitute bill, recognizing that some of the most disgraceful poverty conditions in the world exist in Puerto Rico, Guam, and the Virgin Islands, treats the residents of these territories and possessions, whether or not they are citizens, on a par with the needy residents of the 50 States and the District of Columbia, subject to variances to reflect the different cost of living in those three areas. Pursuant to section 3(j) of the substitute, residents of these three areas would be welcomed into the program on and after July 1, 1971, which is about as quickly as the Department of Agriculture—the Department—could implement the program there, given essential program mechanics, such as training persons in program procedures, providing arrangements for coupon issuance, certifying needy families as eligible, and authorizing retail grocers and food wholesalers to accept and redeem the stamps.

Residents of Puerto Rico, the Virgin Islands, and Guam would not buy stamps according to the same purchase schedules applicable to persons residing in the 50 States and the District of Columbia, although their eligibility for participation in the program would be determined according to the same nationwide standards. Instead, three additional and quite distinct purchase schedules would be drawn up for the three areas, reflecting the cost of obtaining a nutritionally adequate diet in those locations as determined by the Department. For example, it is clear that Puerto Rico buys over 75 percent of her foodstuffs from the continental United States. The resulting high maritime freight rates make food prices in Puerto Rico generally higher than the prices prevailing on the mainland for comparable items. However, Puerto Ricans also prefer a different type of diet than one consumed by most Americans, including such foods as plaintains, pumpkins, breadfruit, rice, dry codfish, mangoes, garbanzos, and sardines. The Department, through its Agricultural Research Service, would take all of these factors into account in determining the cost of a nutritionally adequate diet in Puerto Rico and would adjust the purchase requirements and coupon allotments accordingly. Thus, if the Department were to determine that such a diet for a family of five in Puerto Rico cost a minimum of $30 per week or $128 a month—as home economists at the University of Puerto Rico have informed me was the case last year—then a family of five in Puerto Rico with a monthly income of $75 would pay no more than $14 a month for $128 worth of coupons rather than $17 for $160 worth like a resident of Florida at that income level. Since the coupon allotment would be reduced to 80 percent of the 50 States and the District, the purchase requirement would be decreased to 80 percent of the requirement otherwise applicable.

The substitute places an 80-percent floor below which the coupon allotments offered to persons living in those three places would not be permitted to fall. Thus, in no event, could a Puerto Rican family of five receive less than $128 of stamps. The same provisions would apply to American Samoa, if the Secretary of Agriculture determined to extend the program there after discussing the matter with the Secretary of the Interior.

While the substitute bill sets a minimum food floor—80 percent—and bases the food purchasing power it would supply to persons in the territories and possessions upon the cost to them of securing adequate nutrition, the committee bill, eschewing the aim of combatting hunger and malnutrition, specifies a food ceiling—100 percent—and refers not exclusively to the cost of eating, but also to average per capita income. That average should actually increase, rather than decrease the coupon allotments to be furnished. If Puerto Rico's per capita income is less than 60 percent of the State with the lowest per capita income, Puerto Ricans need a greater, not a lesser bonus to enable them to eat in order to survive as productive human beings.

The committee bill would also, unlike the substitute, drastically reduce the number of Puerto Ricans eligible for food stamp benefits by reducing eligibility standards, perhaps to as low as $2,400 for a family of four. The substitute would apply the $4,000, or greater, eligibility standard to all three areas. In Puerto Rico this would mean that all of the 550,000 individuals who now receive commodities every month would be entitled to purchase stamps as well as any other individuals who qualify according to the nationwide income and resource standards.

Our poorest areas should be treated as equitably as is consistent with the program's goals. Malnutrition there is as intolerable as it is anywhere else in the United States.

PRODUCT COVERAGE

The committee bill retains the current definition of what may be purchased with food stamps. Section 3(b) of the substitute considerably broadens the list of permissible food products in order to recognize the special food needs of ethnic groups and the elderly. Under the substitute, Mexican-Americans in California and Texas would be able to buy products marked as originating in Mexico, if those products were regularly available in domestic supply, which would be the case if they were present in supermarkets or neighborhood grocery stores. Puerto Ricans in New York and Chinese persons in San Francisco would have access to foods of their choice, regardless of the foreign origin of the items.

The substitute bill retains in force the previous prohibitions against using food stamps to purchase alcoholic beverages or tobacco. It does not permit food stamps to be exchanged for any nonfood items, whether clothing or housing or grocery-store type common household articles, such as cleansing products, paper products, or toiletries.

THE ELDERLY

The present Food Stamp Act through its definition of the term "household" and the term "food" excludes from program participation many otherwise economically eligible persons who are aging. To participate in the program, a person must belong to a "household" that buys "food." That is, he must be either part of a group of related or nonrelated individuals who shop, cook, and eat together or an individual who purchases his food and prepares meals for himself. If a person is physically unable to cook for himself and, instead, has to go out to get a meal, or if he lives in a room with no space for cooking facilities, or if he cannot bring himself psychologically to eat by himself, he is prevented from obtaining food stamps because food stamps have, until now, been limited to groceries and could not be exchanged for restaurant meals.

This limitation has unfortunately slammed the door on a substantial number of elderly people, who cannot become well-nourished in the absence of the aid supplied by food stamps. Although food stamp program data do not adequately reflect participation by age group, one-person households, which would tend to cover the elderly, comprise less than 7 percent of all participating households. Thus, it is likely that less than 600,000 low-income elderly persons over the age of 65 are now receiving food stamps. Yet, census data reveal that there are nearly 4.8 million individuals who are poor and over 65, which means that the food stamp program alleviates less than 15 percent of the need among the elderly. In effect, the program's definitions currently operate to disenfranchise the remainder of the impoverished aging who are compelled either to forgo meals or eat in cafeterias because of the inadequacies of their living quarters or their physical incapacities or psychological disabilities.

The committee bill seeks to solve this problem by authorizing persons who are 60 years old or older to use stamps to buy meals as well as food. Under the committee bill, these meals must be prepared and delivered to them at home by a State or local agency or a nonprofit group. This is a very limited "meals on wheels" program indeed. By excluding all but the disabled elderly, it would cover only a very small fraction of the needy poor persons over 60.

The substitute would go beyond the committee bill in sections 3(b), (e), and (f) to enable private nonprofit organizations and public agencies to serve meals to economically eligible handicapped persons—those determined to be physically or mentally unable adequately to prepare meals for themselves—under the age of 60 as well as all financially eligible persons over the age of 60 either in their homes—as would be necessary for many of the physically handicapped—or in any other convenient location other than resident institutions and boardinghouses. Under this provision, school cafeterias could be opened to the elderly and the psychologically handicapped poor after school hours by the schools themselves or by church groups or other charitable organizations. Nonprofit groups could seek to lease private cafeterias during certain hours to provide meals to the same classes of people. The growing private effort to bring the elderly poor back into the mainstream of American life would receive a vital shot in the arm with this creation of a new market of food stamp beneficiaries requiring service. The object of this change in the program would be to alleviate as much as possible the psychological as well as the financial barriers to good nutrition among the elderly.

FRATERNITIES AND COMMUNES

There has been some concern expressed about utilization of the program by groups of college students enrolled in fraternities or other collections of essentially unrelated individuals who voluntarily chose to cohabit and live off food stamps. The committee bill would leave the definition of household untouched and thus permit these practices to continue unabated. Section 3(e) of the Foley-Quie substitute singles out for exclusion from the concept of a household any group of six or more individuals no more than two of whom are related to one another by blood, marriage, or adoption. Thus, fraternity brothers could no longer participate on masse nor could nonfamilial communes in which men and women lived together without any legally recognized bonds, but groups of six and more with two married couples or a married couple and a child would buy stamps.

NATIONAL ELIGIBILITY STANDARDS

The committee bill would authorize uniform nationwide eligibility standards with respect to income and resources in place of the current varying State income ceilings, which range from as low as $2,160 for a family of four in South Carolina to $4,320 for the same family in New Jersey, and of the diverse allowable liquid assets limitations, which go as low as $500 for two or more persons in New Mexico and as high as $3,000 in Texas. At present, at least 10 States have eligibility ceilings so low that over one-half of the poor living in those States are automatically barred from obtaining food stamps. The committee bill would seem to remedy this, but the effectiveness of the uniformity provision in the committee bill is diminished by the committee's failure to set forth a specific and adequate income amount as a floor below which the States cannot go in determining eligibility. Instead, the committee bill places excessive reliance upon the discretion of the Secretary of Agriculture and delegates to him the authority to set the standards, with very little to guide him in his selection.

Section 5(b) of the substitute specifies a floor beneath which the Secretary may not go in establishing income eligibility criteria—$4,000 per year for a household of four. Of course, the Secretary could, if he so chooses, fix the income eligibility at a somewhat higher level. After consulting with the Secretary of Health, Education, and Welfare, the Secretary of Agriculture might well determine that $4,200 or $4,320 or an even higher amount—given the disincentive problem—should be the level below which no State could set its requirements. Any State that so desired, including New Jersey, could continue to issue authorization to purchase cards to households whose annual incomes comported with higher State standards designed to take into account State differences in the cost of securing an adequate diet. No State, however, could exclude any household with an income below the Secretary's figure.

The Secretary would be expected to revise his income standards annually in light of changes in the cost of living. The agency operating the program in a given political subdivision would apply these income standards to applicant households on either a yearly or monthly basis, whichever was more favorable to the household. Thus, if a migratory farmworker household wished to apply during harvest time, its income flow over the entire year should be considered, for, otherwise, the family would be compelled to spend all of its money on food in October and be destitute come February. If, on the other hand, a recently unemployed person were to apply, his apparent lack of income in the future would be the most relevant time frame upon

which to focus, since his food purchasing power would be drastically reduced.

The problem is that income eligibility looks to what the individual household will have available in the way of funds during the period in which it will be trying to use food stamps. Normally, the most recent income history of the household furnishes the best point of departure for ascertaining what earnings are likely to be during the forthcoming months. However, there may be cases where anticipated future earnings may be substantially higher or lower than the household's past record, especially for households that are dependent on seasonal income from farm labor or construction work or that are affected by strikes, illness, and the like. The object of the income eligibility standards of the substitute, read in conjunction with the self-certification provisions analyzed hereafter, is to place the burden for predicting the future from the past upon the applicant, not upon certification workers. The certification workers are not permitted to themselves compute probable future income on the basis of their knowledge of the crops or farmers' harvest predictions or the like. They must accept the predictions of the applicant households as to their future income in determining eligibility.

The income standards in the substitute would be applied not to the household's gross monthly income, predicted or actual, but, as is the situation under the present program, to the household's disposable or net monthly income or what is now termed monthly allowable income. Disposable income in section 5(a) and net income in section 6(b) of the substitute refer to the household's total intake from earnings, public assistance grants, and other income sources less the mandatory or nonelective payroll deductions; that is, income tax payments, social security payments, union dues, insurance payments, retirement payments, and the so-called hardship deductions or expenses that substantially reduce the funds the household has available for the purchase of food, such as child care and health care costs, transportation to work bills, nursing costs for an invalid, excessive shelter and public utility costs, disaster repairs or replacements, and special education expenses. The Secretary would be expected to permit hardship deductions on a liberal basis, with a particular view to furnishing incentives to work. If the household's net income was less than the applicable standard for a household of its size—and if its resources were similarly within the prescribed boundaries—that household would be eligible to receive food stamps anywhere in the United States.

The Secretary would, in similar fashion, establish resources standards of eligibility. Although the substitute mentions no specific dollar figure for liquid assets in this connection, the substitute does prohibit the Secretary from denying access to the food stamp program to any household because it owns its own home and furnishings, or because of the value of its clothing, or because it has a car that transports the family breadwinner to work or otherwise helps the household earn its living, or because of any other productive asset that is essential to its income. Contrary to some State and local practices, not only is such property excluded from consideration in determining eligibility, but it is also protected from any legal process connected with the administration of any family food assistance program, including commodity distribution, unless it is proven in court that the household has defrauded the program and process issues thereafter to recoup the program's losses.

The substitute bill, like the committee bill, would authorize the Secretary to establish temporary emergency eligibility standards that would ignore household's regular incomes and resources in nondisaster times and qualify them for participation in the program when those incomes and resources had been rendered inaccessible or been seriously reduced by a disaster.

CERTIFICATION PROCEDURES

The proposed expansion of eligibility standards outlined above would substantially enlarge the rolls of potential food stamp users in 14 States whose income cutoffs are currently more than $1,200 per year below the new proposed floor and 19 other States where the differential is at least $600, but less than $1,200. But it would not significantly facilitate the extension of the program to more low-income households that had previously been excluded in the absence of any reforms in the methods of handling the eligibility process.

New York City is the classic instance. When New York City welfare and food stamp offices first began to take applications from nonwelfare recipients in September of this year, the line of applicants stretched for blocks, initial interviews were postponed for as long as 3 months, and final determinations of eligibility were delayed even longer. The resulting traffic jam prompted the Department to suggest that it would reconsider certification procedures and explore the possibility of self-certification. To date, no new guidelines have been forthcoming.

Accordingly, sections 5(a) and 7(b)(1) of the Foley-Quie substitute propose that applicant households become eligible to participate in the program at the end of 7 days after the filing by the household of a simplified statement in affidavit form primarily attesting to its income or upon certification by the operating agency that the household, upon the basis of its simplified statement, met the income and resources tests referred to above, whichever occurred sooner. Thus, by no later than one calendar week after it first sought to secure food stamps, any applicant household would become entitled to receive them, unless the simplified statement that it filed revealed on its face that the household was ineligible to participate or else contained mistakes in arithmetic—such as faulty subtraction of certain deductions in arriving at net monthly income—that, when corrected, changed the result so as to disqualify the applicant. Under section 7(e)(4) of the substitute, a household which felt that there were no mistakes or that its computations were correct, could seek a fair hearing on the matter and a prompt determination thereafter.

The form of the affidavit itself would be determined by the Secretary within the following guidelines: It should be as simple and as brief as possible, specifying only the name, address, and size, age, and occupation of the members of the household as well as various income, resource, and deduction categories. No other information would be pertinent for demonstrating the household's eligibility. The individual filling out the form should be required to affirm his understanding that all of the information furnished in the application was true and correct to the best of his knowledge and belief. Of course, whenever a substantial change occurred in any of these factors, such as an increase in pay or decrease in the size of the household, the household would be expected to notify the operating agency and file a new statement.

In place of the current system with its harsh and ultimately unworkable emphasis on preparticipation clearance that only results in lengthened lines that deny food to the needy and wasteful, harmful bureaucratic bottlenecks that benefit only unemployed caseworkers, the Foley-Quie substitute would require operating agencies to institute a system of adequate and effective post-participation verification of eligibility. This would be accomplished by mandating monitoring through taking a sampling of up to 10 percent of accepted affidavits and checking on the validity of the income and/or deduction factors contained in those affidavits. There are other scientific techniques that are in the process of being developed to achieve the same end—screening out the undeserving without making it impossible for the deserving to gain access to the program.

Self-declaration is by no means a novel method of determining eligibility. Nearly three-quarters of the States now employ some variant of self-certification in their public or medical assistance programs. On May 28, 1970, the Department of Health, Education, and Welfare required self-certification in all States in connection with eligibility for certain categories of assistance no later than January 1, 1971. It is also required by law starting this fall for the free and reduced price school lunch program that is expected to serve 7.3 million children.

There have been no allegations of fraud in connection with the millions of affidavits already filed for school lunches. Nor has the Department of Health, Education, and Welfare experienced any substantial problems. In its report on the testing of the simplified method in the adult categories, the Department concluded that the use of the method enabled applicants to provide sufficient information upon which accurate determinations of eligibility and extent of entitlement could be based and that these determinations could be made and assistance provided quicker and with less paper work than under the traditional method. The report also stated that in very few instances had the 3 percent tolerance level of incorrect eligibility decisions been exceeded.

COLLEGE STUDENTS

A crescendo of protests has arisen over the increasing use of food stamps by students attending colleges or universities.

While many such students do have need of food stamps in order to survive and further their academic goals because they lack any meaningful outside sources of support, some students who participate in the program are also heavily subsidized by their parents. It is essential to avoid having them remain on the program rolls while, at the same time, not to make the initial certification procedure so cumbersome in order to screen out students that it operates instead to deter the needy. The Foley-Quie substitute on section 7(b)(1) would resolve this dilemma by requiring that the sampling of 10 percent of the affidavits be supplemented by rigorous scrutiny of the income data contained in 100 percent of the self-declaration forms filed by any household which consists of or includes a student at an institution of higher education who is over 18. The intent is to require the student's parents to disclose the nature of the support, if any, that they are providing him so that the operating agency can make a valid determination of need. At that point, if the agency were to decide that a particular student should be declared ineligible, it could promptly convene a fair hearing conducted by an agency hearing official and, if victorious, instantly terminate the student's participation.

MIGRANTS

Self-declaration would be particularly valuable to migratory farmworkers who have been foreclosed from seeking food stamps in the past because they could not afford to waste a full day or more in a welfare office to get certified or to await approval by lingering in a county after the crops have been picked. Migrants need special relief not only by way of eased eligibility barriers, but also through intercounty and interstate certification that remains valid for a reasonable period of time after a move. Otherwise, they will never be able to enjoy the benefits of food stamps. Accordingly section 7(b)(1) of the Foley-Quie substitute permits any household that moves from place to place to maintain continuous participation and avoid losing the program's benefits because of the move. Migratory workers would be free to follow the work stream and still receive stamps should their annual incomes warrant it. Since the food stamp program would, under the substitute, become nationwide no later than 300 days after enactment—and possibly earlier—the peculiar form of deprivation that afflicts migrants and isolates them from many types of Federal aid would no longer do so in the case of food stamps.

Of course, the obligation of the operating agency to treat net income on the most recent monthly or yearly basis, whichever is more favorable, would also enhance the prospect of meaningful migrant participation.

THE WORK REQUIREMENT

Under the present program, some 11 States, for instance, South Carolina, refuse to purvey food stamps to any household containing employable persons who do not register with the State-local employment service and accept employment that is fitted to their mental or physical capacity and work skills and that is compensated at a standard wage level. No Federal regulation prevents States from adopting this type of workfare qualification; but, if it is not imposed in the State plan governing the program, individual counties may not enforce it.

The committee bill, however, has created a national, not State-by-State administrative nightmare of a work test that is either essentially unenforceable or else would unnecessarily deprive hungry and malnourished mothers and children of food stamps in order to redeem the omissions of their husbands and fathers. The Foley-Quie substitute would replace it with a more reasonable, yet equally work-oriented provision that would not deny aid to mothers and their children because of the failures of other household members.

The committee work test would compel registration and work by certain members of a household as a condition of that household's eligibility to receive food stamps. Thus, a failure to register by one member of a 10-person household would prevent the other nine from ever receiving the stamps to which they were entitled and of which they had need. The registration and work requirements contained in section 5 (c) through (g) of the substitute are not conditions of eligibility. They do affect the household's level of participation in the program, not the fact of its participation. The penalty for failure to comply is not a brutal cut-off of all food aid, but a reduction of such aid designed to eliminate that portion of the benefits attributable to the individual who is not in compliance. For example, under the substitute, if a man with a wife and two children under 16 and a monthly income of $150 should fail either to register as required or accept work in accordance with the provisions of the law, the formula contained in the substitute would not affect that household's maximum $37.50 purchase requirement, but would reduce the household's total stamp allotment by $22.50 or one-fourth of the $90.50 bonus—the excess of the allotment over the purchase requirement—to $105.50.

The committee bill work test and Foley-Quie work requirement govern different classes of people. The age group to which the provisions are applicable in the committee's bill runs from 18 to 65. The Foley-Quie substitute's age bracket is 16 to 60, although both bills exclude bona fide students of any age. The committee bill is inapplicable to the non-able-bodied; Foley-Quie, to the ill or incapacitated. Mothers or other persons in charge of children or the incapacitated are similarly excluded under both bills, although Foley-Quie also does not apply the requirement to caretakers of the ill. Finally, Foley-Quie exempts the partially employed in the sense of those working at least 35 hours per week or earning at least $56 per week.

The Foley-Quie registration requirement would presumably be implemented by having the household applying for food stamps check off several appropriate boxes—that is, age of children, physical condition, student status—on the self-certification affidavit at the office of the operating agency. There would be no need to compel attendance at two separate locations to perform such a simple act. The operating agency would either agree that none of the household members were within the purview of the registration section—but refer household members to the State vocational rehabilitation agency for vocational rehabilitation if they were not required to register because of a handicap or disability, or else decide that one or more members should register.

But the practical consequences of failure to register, despite the operating agency's conclusion that registration is necessary, differ depending upon whether the household is already participating in the program on the date the registration provisions of the substitute are implemented by the Department's promulgation of regulations or whether it seeks to come onto the program's rolls thereafter. In the first instance, the household's bonus could only be reduced proportionately after the operating agency gave it reasonable notice and a fair hearing in accordance with the procedures contained in FNS (FS) Instruction 732–14, dated May 28, 1970. In the latter instance, proportionate bonus reduction could be instantaneous, with the household retaining the right either to register and thereby automatically restore the bonus to its full level or else demand a fair hearing in the hope that, at such a hearing, the operating agency would determine that the particular member's failure to register was for good cause—either because he was in one of the exempted categories or else because the program administrators were otherwise at fault.

The Foley-Quie work requirement itself applies to all registrants and only to them. In order to be compelled to work or else face reduction of bonus benefits—after reasonable notice, a fair hearing, and an agency finding of without good cause refusal to participate in suitable employment—the registrant would have to be offered work that met four basic tests. First, the work offer itself would have to come from either the State public employment offices or any employer so long as the operating agency determined the offer to be bona fide and not merely a ruse to prevent a household from obtaining its full quota of food stamp benefits. Second, the work would have to satisfy the traditional unemployment compensation test of "suitability" that employment offices and the courts have become used to applying over the years.

Third, the position offered could not be one that was open as a consequence of a strike, lockout, or other labor dispute in order to avoid the use of food stamps as an incentive to scabbing. Fourth—and most important of all—the job would have to pay at least $1.60 an hour, which is the Federal hourly minimum wage, even if the job were not covered by the Fair Labor Standards Act of 1938—the substitute hypothetically assumes that, for the purpose of the work requirement, offered jobs are so covered. The job would have to pay even more than $1.60 if the prevailing rate of similar jobs in the locality or the state or local minimum

wage were higher. Thus, while $1.60 would be the floor, it would not govern construction jobs for which the going rate was $2 or $3 per hour. The significance of this wage aspect of the work requirement is that, unlike the committee bill, it would not permit hundreds of thousands of adult members of stamps-using households to be forced into sweeping streets or digging ditches or cleaning homes or doing laundry for ridiculously low wages—50 cents an hour for domestic work in Alabama and Mississippi, no State minimum for State jobs, and no State minimum at all in 13 States, the majority of them in the South.

Finally, the Foley-Quie substitute work requirement would not go into effect overnight without sufficient time to implement it fairly and thus result in interminable lines at grossly overworked employment offices. Implementation of the work provisions would be delayed until the earlier of 300 days after the President signed the food stamp bill into law or the date upon which the food stamp program became effective nationwide.

STAMP ALLOTMENT VALUE

The key to the efficiency of the food stamp program is maximizing the participation of those who need its aid. Program participation is, according to administrative experience, related to two variables: It varies directly with bonus aid and indirectly with the cost of the stamp allotment. The committee bill makes no significant changes in the current handling of these two crucial variables. It merely leaves them both to the Secretary's discretion. The administration has indicated that, if fixing the stamp allotment value is placed in the Secretary's hands, it will provide a maximum of $106 to a family of four. This, the cost of the so-called economy food plan for a family of four with two schoolchildren is $107.80 a month, although the Department has made no move to implement the food stamp program.

The economy food plan is an estimation derived by USDA based on 80 percent of the cost for the low-cost plan. The Bureau of Labor Statistics ascertains the retail costs of per person quantities of a market basket of necessary foods in 11 food groups as those quantities are specified in a 1964 Agriculture Department revision of the original 1959 economy food plan which took account of changes made in 1963 by the National Research Council in the recommended daily dietary allowances for vitamins and minerals. No similar updating of the food plans have followed the Council's 1968 "Recommended Dietary Allowances" revisions. Thus, the present economy food plan may already be out of date from a nutritional value point of view.

But even if it were an up-to-date measure of nutritional subsistence, the economy food plan upon which the Nixon administration has relied in fixing allotment values is too risky a measure of the purchasing power needed to insure against malnutrition. It does not offer a sufficient margin of safety against medical problems predicated on the purchase of insufficient food containing the right nutrients.

To be able to afford the economy plan is no guarantee that one can afford a nutritionally adequate diet measured by the recommended daily dietary allowances for nutrients. The plan demands that the homemaker be an expert in marketing and food preparation. Although nutritionists use the plan, they recognize its limitations. They rely on it only as a short-term guide for what a family can do when it is temporarily caught short. The Bureau of the Budget has admitted that "probably most families could not remain well-nourished on such a diet." The Department is so embarrassed by the misuse of the economy plan as a social indicator that it stated in a menu-planning guide based on the economy plan that—

> Studies show that few families spending at the level of the Economy Plan select foods that provide nutritionally adequate diets. The cost of this plan is not a reasonable measure of basic money needs for a good diet. The public assistance agency that recognizes the limitations of its clientele and is interested in their nutritional well-being, will recommend a money allowance for food considerably higher than the cost level of the Economy Plan. Many welfare agencies base their food cost standards on the USDA Low-Cost Plan which costs about 25 percent more than the Economy Plan.

The Foley-Quie substitute sets 35 cents per person per meal as its bare nutritional minimum for fiscal year 1971—or approximately $128 for a family of four each month. In each of the 2 succeeding fiscal years, the Secretary would be required to adjust that figure to reflect the cumulative percentage change in the Consumer Price Index for food. Since a 5- or 6-percent increase in that average is anticipated in the forthcoming calendar year, it is likely that, as of July 1, 1971, 35 cents would have to become 37 cents. To go below this amount would be to deny needy households the means of effectively surmounting hunger and malnutrition. This sum is still not equivalent to the low-cost food plan, which is at the $134.60 monthly level for a family of four as of last September. And even this sum is subject, in exceptional circumstances, to reduction by the Secretary should he determine that the fiscal year 1971 appropriation—$1.42 billion scheduled to go at least as high as $1.65 billion—or the fiscal year 1972 and 1973 authorizations—$2.5 billion and $3 billion, respectively—would be insufficient to last for the entire fiscal year given the expected rate of participation. With 8.8 million persons on the food stamp rolls in October 1970, the 35 cents floor should prove no problem in the current fiscal year. What future fiscal years may bring in the way of participation, hence, projected program costs, is highly uncertain.

The Secretary's remedy, in the event that he foresees a cost squeeze, is to adjust the allotment value downward to the higher of 30 cents per meal or the economy food plan as promulgated by the Consumer and Economics Research Division of the Departments of Agricultural Research Service—currently also close to 30 cents per meal, but potentially higher in the future. The Secretary would be required to make this evaluation every quarter—July 1, October 1, January 1, and April 1—and report his decision on the allotment value to the relevant congressional committees at least 30 days before seeking to reduce the allotment value.

THE COST OF THE STAMPS

The central barrier to using food stamps is the high cost of participating when compared with the benefits each user might receive. In the summer and fall of 1969, a statistical study of the program was conducted that focussed on program operations in 37 counties in nine States. The researchers examined the files of participants and nonparticipants and surveyed numerous households. Their major conclusion was that the cost to the user was responsible for excluding at least 56 percent of all the poor who did not buy food stamps in food stamp counties. The purchase price requirement closed the door on the poorest of the poor—those with incomes of up to $50 a month for a family of four—because the lump sum cash payment was too high for them to meet at any one time in the course of a month. It foreclosed the intermediate-income poor—$50 to $200—from participating because of the high percentage of income required as a down payment for food stamps. It shut out the most "well-to-do" of the poor—$200 up—because the odds involved in the bonus-cash purchase ratio were not attractive enough to entice them into committing large sums of income to food stamps.

The current Food Stamp Act simply refers to enabling households to take "their normal expenditures for food" and purchase stamps "in such amount as will provide—them—with an opportunity more nearly to obtain a low-cost nutritionally adequate diet." What is normal for poor people to spend for food? Congress declined to answer, leaving it up to the executive branch to make the decisions in light of budgetary limitations. The program managers in the Department took this relatively blank and flexible check and made it very difficult indeed for many poor people to cash. That was because the Department relied on studies that seemed to reveal that the poor often lay out between two- to three-fifths of their disposable income for food. In the fall of 1969 the Department revised its interpretations of these studies. The revisions resulted in new issuance schedules that merely alleviate, not abrogate the user cost problem.

The price squeeze is acute for all households. Families cannot live on bread alone. Shelter, clothing, transportation, medical care—these and many other items have equal significance in their lives and may, from time to time and especially in emergencies, take precedence over food. Housing is a necessity and housing is costly, consuming an all-too-large proportion of low-income budgets because of the combined effects of inflation, financial restraints on housing credit, and the increased shortage of low-cost housing. Rent and utility costs are not only high, but they are inflexible. They demand priority payment. Failure to pay the rent could lead to eviction.

Failure to pay the gasman means freezing. Defaulting on the electricity company means instant blackout.

If the children are to go to school, they must have shoes and clothing. Medical care is essential as is paying for transportation to work. Automobile and appliance breakdowns necessitating large sums for repair further cut into the dollar that is already shrinking by itself. The most flexible item in the budget is food. Food comes last. It gets the leftovers, which quite frequently will not be sufficient to pay what the food stamp tables so relentlessly demand.

Even in the absence of emergencies, complying with the issuance tables means withdrawing relatively large sums from an already overloaded budget, sums that are proportionately greater for those in the middle range of poverty than for the very poor or those almost at the poverty line. For a family of four, the purchase requirement ranges from in excess of 100 percent of income—between zero and $2 in monthly net income—to a low of 10 percent at the $20 income level. These are atypical. From $20, the percentage of a participant's income that must be allotted to stamps rises to a peak of 28.8 percent at $250 and falls back down to 24.2 percent at $330, which is the proposed cutoff point for eligibility. Over one-fourth of monthly net income must be allotted to stamps rises to a peak. In excess of 28 percent is necessary between $150 and $260.

Thus, from $20 per month until $270 per month in net income, the table's parabola goes directly contrary to the economic principle known as Engel's law. Normally as income rises, people spend increasingly smaller proportions of their income on food. But normal economic behavior does not govern the food stamp issuance tables. Instead from $20 to $270 the poor must pay more, not less, for food, out of each income increment. Every $10 boost in income leads to a mandatory diversion of three of these added dollars to food stamps. The diversion rate as of 1970 is vastly superior to the one in effect in 1968 and 1969 when six out of every 10 such dollars were food stamp-taxed away, but a 33⅓ percent tax on income is not negligible. The poor, unlike the rich, are not free to divert new income to nonfood uses. The food stamp program distorts their allocation of resources.

While a family of four is the traditional focus for statistical purposes, the same phenomena obtain for families of eight or more, except that the percentages of income that must be applied to stamps are even greater. Thus, the percentage input ranges from 100 percent-plus at the top—for families whose monthly net income is below $3—to 15 percent—for families with $20 a month net income. The payments go up as high as 33⅓ percent of income, which, in fact, is the peak percentage in the entire set of tables.

The food stamp tax rate on the incomes of large families fluctuates according to no arithmetic pattern. Four dollars are subtracted from most of the $10 step increases over $80. But between $140 and $310, six out of every 10 extra dollars must be spent for stamps if the family wants to continue to participate. Families of 10 must comply with an identical scale of purchase requirement up to the $630 level. For households of more than 10 persons, the scale is the same as for households of eight, except that when income exceeds $810, for each $30 worth of monthly income, $4 is added to the monthly purchase requirement, a 13 percent tax rate, which comports with what the American middle-class in fact does with its money.

The percentage of its income a household must pay as the price of participating in the food stamp program thus generally ranges between 20 and 30 percent for families of all sizes. Thirty percent is exceeded not at all for families of five or less. For families of six 30 percent is surpassed only between $150 and $290, for families of seven between $150 and $360, and for families of eight or more between $140 and $360, with some adjustments within these brackets. Again, it is the middle bracket of the poor that is charged the most.

The 1970 price squeeze is undeniably looser than the one previously in effect when the purchase schedules peaked at 46 percent of income and generally were fixed between 30 and 45 percent. What is needed in 1971 and beyond is an end to as much of the squeeze as possible. The Foley-Quie substitute constitutes a step in this direction. Not only would section 6(b) of the substitute limit the charge to any eligible household to a maximum of 30 percent of the household's net income—and the charge could and, indeed, in most cases should be much less than the 30 perecnt maximum—but also it would hold the charge down to no more than 25 percent for families of four—or the equivalent—earning less than $167 per month or $2,000 a year. This is the most suitable way to ease the burden on the hard-core poor, even though it does not go all of the way in resolving the problem of user cost.

FREE FOOD STAMPS

The committee has imposed a minimum payment for food stamps of 50 cents that applies to families with no cash income at all. Even the administration has expressed its disapproval of this restrictive feature.

The present law on its face authorizes free stamps to be issued to households who have no normal expenditures for food, although neither the Johnson nor the Nixon administrations have ever agreed to be bound by that statutory interpretation. The prevailing belief, often expressed, has been that anybody ought to be able to afford $2. Or can they? A tenant farmer may have no income whatever, because the plantation owner simply deducts what his crop is worth from the larger sum owed him for materials. A man who can find no employment, especially in Appalachia or some urban centers, may head an incomeless family and probably be unable to go on welfare. A migratory worker in December, January, and February might have zero income. Examples could be multiplied, but the consequences would be the same. And according to the Office of Economic Opportunity, there were 1.3 million of such very poor people with no cash income at all in the United States in 1968.

The Department of Agriculture first recognized the existence of this tragic problem in 1968 after a survey of the Mississippi Delta. Their response was to lower the threshhold payment to the present $2 or 50 cents each, but not to give the stamps away free. The no-income family was left to beg, borrow, or steal. Finally, under the severe pressure of adverse publicity in March of 1969, triggered by criticism by Senator Hollings, Democrat of South Carolina, the Department announced an experimental free food stamp program in Beaufort and Jasper Counties, S.C. The free stamps were extended to families of two or less with under $20 income and families of three or more with less than $30 income per month. The results of that experiment proved what everyone knew all along—that there were families with literally no income, many of whom could not participate in the program in the absence of free stamps. Indeed, 900 persons secured free stamps in March 1969.

There are, of course, methods of pump-priming the food stamp program with other funding sources to take care of the no-income families. Private charities, such as the NAACP Mississippi emergency relief fund, which works on the delta, or the Salvation Army, can give families cash to purchase stamps. In September 1969, after the advent of Hurricane Camille, the Department lowered the purchase requirement for the people living on Mississippi's gulf coast in hard-hit Harrison County to 50 cents across the board. The Red Cross stepped in to provide the 50 cents for anyone in need. As a result, in the month of September, 95,536 persons in Harrison County received food stamps, a 2,754-percent increase over the participation in August by 3,348 persons. By October, when normal purchase requirements were reimposed, the number had collapsed to 4,983 once more.

If it is willing, a local welfare system can intervene. The one in the District of Columbia has provided free stamps for no-income families at a monthly cost of over $1,000. But the program itself has no mechanism for assuring participation on the lowest rungs of the economic ladder and other sources, private or governmental, are far too thin irregular, or unreliable consistently to take up the slack and finance participation by the poorest of the poor.

The only viable long-run solution is free stamps for the poorest of the poor. Section 6(b) of the Foley-Quie substitute would see to it that those households with incomes of less than $30 per month for a household of four—or the equivalent monthly income for households of other sizes, for example, $45 for a household of six—would receive stamps without any charge whatever.

COUPON ISSUANCE—FREQUENCY

The absolute cost of the stamps may not be the sole reason why poor people feel that they cannot participate in the program. The "cannot" for many of the

poor is not essentially a function of their failure to afford the necessary sum, but of the inappropriateness of applying the concept of balance-sheet budgeting to the poor. Such budgeting is hard to comprehend and impossible to adhere to in the face of constant pressure to spend on other essentials and emergencies. The "cannot" primarily reflects an inability to have the large sums of cash required on hand at the appropriate time.

The "cannot" reflects the fact that a few, fixed lump-sum payments do not comport with the free flow of cash in and out of the hands of the poor. It is not a simple matter for a mother of six with a monthly income of $250 to pay over $38 in cold cash twice a month to receive her stamps. Even middle-class mothers shopping at the suburban A&P might not be able to come up with $38 every other Saturday to spend on groceries. Indeed, supermarkets located in the heart of the Washington, D.C., ghetto report that they see the same customers two, even three times a day, trading a just-earned dollar or two for the wherewithal to prepare a meal.

There are two possible solutions to the problem posed by the formal mechanics of the program that inevitably enforce savings for food purchases upon people unaccustomed and often unable to do other than pay as they eat. The first is to cut the overall payment level. The second solution is to mold the program's structure to accommodate family economic reality by avoiding the need for large and infrequent lump sum payments for stamps.

The Department took a stab at alleviating this condition in 1967 when it instituted a special introductory offer in food stamp programs that had been in operation for less than a year. The offer meant that people who came into the program for the first time could, during their first month of participation only, pay one-half the applicable purchase price. Thereafter, no discounts were available.

The Department did not attempt at that time to change the all-or-nothing rule, which compels a family to buy what the table states or stay out, and to do so no more than twice a month. Stamps used to be available only once a month, timed to enable welfare families to buy stamps when they received their welfare checks. Now the Department claims that, in 90 percent of the counties or polities administering the food stamp program, stamps are offered on a semimonthly basis, as they are supposed to be according to regulations. Regardless of the validity of that statistic, even two times a month is not as often as it should be.

The Department's 1970 schedules were designed to alleviate the frequency bind by permitting stamp purchases to be made monthly or semimonthly or four times a month or every week. Unfortunately, it is clear that the counties are not required to comply. At present, the same mother of six with $250 a month in net income has to pay $38 twice a month for $72 in stamps. Under the weekly purchase mandate of section 7(b)(2) of the substitute, she could come in once a week with $17 and receive $45 in stamps, or on the 1st, 8th, 15th, and 22d of the month with $18 and obtain $48 in stamps, or on the 1st and the 15th with $36 in return for $96 in stamps, or on 1 day only with the full downpayment of $72 for the complete stamp allotment of $192. Of course, these figures are only approximate and ignore the variable purchase factor discussed below.

The Department's current schedules do not allow for complete variable purchase. The committee bill directs the Secretary to provide a reasonable opportunity for any eligible household to elect to be issued a coupon allotment authorized to be issued to them. The Secretary would, thus, have the discretion to set variable purchase levels. That discretion would presumably be limited to the present frequency of two, four, or 4.3 times a month and concommitant input of 50, 25, and 23 percent of the monthly purchase price in return for one-half, one-fourth, and 23 percent of the total monthly coupon allotment.

That is insufficient flexibility. Section 7(b)(2) of the Foley-Quie substitute would direct the Secretary to establish a schedule permitting partial payment on more than a one-fourth basis. That is not to say that any household could come in at any time with $1 or indeed any sum at all and seek to buy its worth in food stamps, but only that households should be granted the right to put down as little as one-tenth of the purchase price at any one time with an outside limit of four or five buys per month.

The problems posed by a combination of the high cost of stamps and issuance inflexibilities are further compounded by the "no skip" clause in the regulations. A household must buy the stamps month after month after month on a regular basis or else be forced to go back to "go" and start all over again—without collecting any benefits—to play the certification game. Excuses based upon an emergency of a temporary and substantial nature may work if a household misses 1 month, but only if the local officials are agreeable. To skip 2 months is to invite automatic disqualification.

The statute nowhere so provides, but the Department did, allegedly because that was the only way the program could effectively raise levels of nutrition. According to the Department:

> If a family eats well for one month, then skips two, food stamps won't be doing the job.

In other words, the program must feed a poor family all the time or not at all—4 stamp months out of 12 are not better than none. The Disneyland logic is that doing without will always do more for raising one's level of nutrition than doing with part time. The impact of this provision falls hardest upon groups whose problem is struggling to maintain their income levels month by month, such as seasonal workers in farming or the construction industry and temporary workers such as domestics, waitresses, and laborers. It also adversely affects low-wage workers who can barely afford to participate at all and are forced off when any substantial, unanticipated expenses arise.

The Foley-Quie substitute—again section 7(b)(2) thereof—would make it statutorily clear that no requirement of regular participation could be imposed. Whenever an eligible household needed stamps, it could buy them, even if only five or six times a year.

The fourth change in the issuance aspect of the food stamp program made by the Foley-Quie substitute in order to enhance the possibility that poor people could participate is the institution of a food stamp check off, enabling persons receiving any form of grant or aid pursuant to the Social Security Act—including old-age, survivors, and disability insurance benefits, unemployment compensation, aid to families with dependent children, and public assistance for the aged, blind, and the permanent and totally disabled—to request either the State or the Federal Government—presumably the Secretary, acting in concert with the Department of Health, Education, and Welfare—to withhold from any such grant or aid payments the amount of such benefits necessary to purchase any part or all of the food stamp allotment to which the recipient is entitled. While this would be a purely voluntary act on the part of eligible households, it would help them avoid the dilemma of having spent so much of their assistance checks before they could proceed to food stamp issuance locations that not enough remained to permit them to buy any stamps. This has been a particularly acute problem in the past because of the inconvenient location and limited open days and office hours of issuance centers. The checkoff thus not only would eliminate a significant barrier to participation, but also would substantially reduce and even entirely wipe out the bulk of issuance costs paid by county welfare agencies with respect to those demanding checkoff of their purchase requirements.

COUPON ISSUANCE—LOCATION

Under the present program, food stamps are usually sold at and by local welfare agencies, although banks, credit unions, some poverty agencies, and even some local businesses—for example, drug stores or public utility companies—are sometimes utilized. When the local welfare agency contracts with a nonpublic agency to dispense stamps, the sellers generally charge the program between 50 cents and $1.10 per transaction, occasionally making a small profit. The problem is to combine convenience of location with low program costs and security.

The Foley-Quie substitute in section 7(b)(2) would seek to resolve the situation by essentially directing the Secretary to negotiate with the U.S. Post Office or its private corporate successor to obtain an agreement that, in exchange for suitable reimbursement, post offices, which are particularly convenient locations in small towns and incorporated rural areas, would undertake to issue

stamps and collect payments. If the post offices were inconvenient or unwilling in any particular political subdivision or supplemental issuance centers were needed, the other agencies now in the issuance business would come into play, including private nonprofit organizations interested in helping the poor.

A NATIONWIDE FOOD STAMP PROGRAM

One of the greatest defects in the current law is that it requires the conjunction of two factors before a food stamp program can operate in any locality: first, the appropriate State agency—usually the welfare agency—must request that the program be conducted within the particular political subdivision and, second, the Secretary must admit the subdivision to participation in accordance with his conception of "an equitable and orderly expansion" of the program. Should either of these discretionary triggers fail to be squeezed, there can be no program in the area despite the people's need. The results of this combined local-Secretary option speak for themselves. As of October 1970, only some 1,947 jurisdictions had a program in operation out of nearly 3,200 such jurisdictions in the country or approximately 60 percent of the potential. Over 200 more of the 1,300 excluded jurisdictions were seeking the right to participate, but had not been able to persuade the Secretary that their participation would constitute equity or order, primarily because the Secretary was worried about spending too much money or feeding low-income households. Five States—Arizona, Delaware, Nevada, New Hampshire, and Oklahoma—had no food stamp program within their borders.

For a county to get a program, usually the commissioners or the probate judges or some other local officials have to request one from the State welfare agency. It is by no means unusual for these key officials to resist the initiation of such a program in their county because of ignorance of the dimensions of the malnutrition problem or fear of incurring local costs or malice toward the poor or any other number of bad reasons. Unless the local officials are willing, no program. Even if they are willing, the Secretary may not be, given limitations on authorizations and appropriations. The Secretary, at present, does not feel financially able to welcome into the program all of the project areas that are pounding on his door. During the past year he has admitted only 363 such areas.

There is no reasonable way to resolve this dilemma and conquer these barriers to expanding the program to reach all of the needy wherever they happen to reside other than by setting a time limit for making the program operative nationwide in every political subdivision, and then directing the Secretary to operate the program directly or through other agencies or organizations should a particular subdivision or a State prove recalcitrant. The substitute is designed to end the Federal Government's negative role in the geographic extension of the program and replace it with precisely the approach outlined above.

Section 7(g)(1) of the substitute calls for the program to take effect—that is, with stamps actually being issued—within 180 days from the day on which the President signs the act. If the local officials fail to act by then, the Governor of the State is afforded the right to act within the next 30 days to set up the program and issue stamps on his own authority. Should any Governor either be unwilling or unable to open the program by 210 days from enactment, the Secretary would be compelled to initiate the program either through his Department or any other Federal agency—for example, the Office of Economic Opportunity with its emergency food services program—or through a State or county or other public agency, such as a local community action agency, or, and this may be the most feasible route, through a willing and able—the Secretary's approval of the group's capacity would be a prerequisite—private nonprofit organization, presumably one with local roots. To prevent this provision from becoming too inflexible to meet unusual circumstances, the Secretary would be given the right to extend a Governor's option an additional 90 days—for an overall total of 300 days from enactment—should there be a showing of bona fide and extraordinary administrative difficulties preventing implementation in accordance with the statutory timetable.

Thus, no later than 300 days from enactment, food stamps should become available to poor persons living in every town, city, and county in the country.

A food stamp program that exists only on paper because it reaches only a few of the needy is as bad as a nonexistent program. To overcome the deficiencies of a paper program, the Secretary would be similarly empowered to farm the program's operation out to himself or any of the other agencies or organizations referred to above, including the private nonprofits. The objective program failure that would enable the Secretary to take such action is defined in section 7(g)(2) of the Foley-Quie substitute as the inability to serve more than one-third of the poor persons living in the jurisdiction for more than 3 months in a row after the program has been in effect for 180 days. The applicable poverty statistics would be determined by the Secretary in light of census data or any other recent data available from the Secretary of Commerce.

Thus, if in a county in which a food stamp program had begun last June 1, there appeared from Commerce data to be 3,000 poor people, and, if that program provided stamps to less than 1,000 persons in January, February, and March of 1971, the Secretary could, if he wished, as of April 1 or whatever date he learned of this inadequacy, notify the Governor of the applicable State of his right to take over the program by May 1—or within 30 days of the date of the Governor's actual notification. On May 1, if the Governor had failed to move, the Secretary would have the right to dispose of control over the program. It is the intent of the substitute to encourage wherever possible such a revitalization of paper or token programs that fail adequately to serve those in need in accordance with the objective poverty standard. On the other hand, the substitute rewards good performance by a program through an increase in the sharing of administrative costs, which is considered below.

If any organization other than the traditional State or county welfare agency is given the responsibility for running the food stamp program in a given locality, the Secretary would have to require the operating agency, be it a poverty program or the Salvation Army, to observe all of the act's requirements incumbent upon the traditional welfare agencies. Those requirements are contained in the State plan provisions of section 7(e). Section 7(e) commands each State plan of operation to provide that the local operating agencies in each State—that is, any group administering the food stamp program—will follow the nationwide eligibility and resources tests as well as certify households solely on the basis of simplified statements. There would be no requirement comparable to the present one that the State agency use only civil service welfare caseworkers in running the certification process. The local operating agencies would be free to employ whomever they chose, including volunteers, to overcome the harmful delays in certification. But the local operating agencies would not be free to divulge information from applicants to nonagency officials other than the district attorney's office. They would also have to submit reports, as before.

Local operating agencies would have to undertake outreach efforts to inform low-income households about the program's benefits and mechanics. This is a new directive that gives recognition to the fact that the lack of effective outreach is one of the major reasons why the program has failed to reach a significant number of the poor, many of whom are totally unaware of the program's existence and unfamiliar with its benefits and intricacies. This mandate for outreach, coupled with the incentive provision of the Federal Government's paying 62½ percent of the travel and salary costs flowing from such activities—unless outreach was undertaken by nonoperating agencies such as other public agencies or private nonprofit organizations, in which case the cost would be fully reimbursable—should insure that the program will be sufficiently promoted and participation effectively encouraged. The cost-reimbursable aspect of the encouragement of outreach should yield multiple food stamp organizing campaigns designed to put all eligible local residents on the rolls.

Finally, the State plan incumbent upon all local operating agencies would have to contain provision for a fair hearing to be granted to any household aggrieved by any of the agency's actions, ranging from outright denial of eligibility to failure to act with reasonable promptness on an application to disagreement over the interpretation of the State plan and policies pursuant thereto. The components of a fair hearing have already been made clear to every State welfare agency through detailed Department instructions (FNS–FS–732–14) issued on

May 28, 1970. Those instructions accurately set forth the minimum standards of such a hearing. The only matter on which they are doubtful is the necessity for the hearing authority to render a final administrative decision with reasonable promptness dating from the initial call for the hearing. Elapsed time from request to decision should rarely, if ever, exceed 30 days. The instructions appear to allow 60 days, which is too lengthy when food need is at stake.

ADMINISTRATIVE COSTS

A major deterrent to local participation is the high cost of administering the program. Counties and States are not anxious to incur greater obligations and more expenses. That is why the escalating bonus-matching provisions of the committee bill are so devastating. If, as is likely, the State legislatures in the South—and possibly in other areas—were to pass on these costs to the counties, many counties now dispensing stamps would exercise their current right to drop out of the program. They already face substantial program expenses in the form of 37.5 percent of the cost of certifying nonpublic assistance households, 25 percent of the cost of certifying public assistance households—although this is usually considered to be part of administering the welfare program—and 100 percent of the cost of issuing the stamps, whether through themselves or through banks, and so forth. Faced with these costs that mount directly in proportion to the level of program participation, several counties in Mississippi have already indicated interest in dropping out. The added bonus burden would be the straw that broke the camel's back.

Section 9(b) of the substitute and the entire substitute itself is designed to lighten the load, not increase it. It would extend the Federal 62.5 percent certification share to hearing officials and outreach workers. It would eliminate the bulk of certification costs through the simplified declaration eligibility system. It would make reductions in issuance costs possible if the post offices would negotiate a lower charge than the banks.

One of the special virtues of 9(b) is the manner in which it would invert the current reverse incentive to program expansion. Under the present program, the more the participants, the greater the issuance costs. It pays an operating agency to curtail, not expand the rolls. 9(b) would turn this around by awarding a bonus to agencies that boomed their programs by reaching out to encompass more than 50 percent of the poor persons in the applicable political subdivisions. The bonus would consist of Federal reimbursement for 50 percent of the issuance costs incurred by such expansion-minded agencies that performed their job of reaching the malnourished well.

9(b) would also enable private nonprofit organizations to operate programs that otherwise might be too expensive for them to handle by authorizing 100 percent reimbursement of their administrative costs involved in running a program in a subdivision without a program or with a program that failed to serve the poor adequately. Public agencies permitted by the Secretary to operate programs under similar conditions would also receive 100-percent financing of all their administrative costs. Nutrition counseling and instruction activities and outreach efforts conducted by public agencies or private nonprofits would also fall within the confines of the 100 percent reimbursement principle.

NUTRITION COUNSELING AND RESEARCH

Although the Department runs a nutrition aide program through its extension service that utilizes over 7,000 aides to help educate needy households on the value and content of good nutrition, there is a noticeable lack of coordination between that program and the food stamp program, with the result that many food stamp recipients lack the information they could profitably use in wisely investing their food stamps. As the committee discovered in its field investigation of the operation of the Food Stamp Act, nutrition aides have rarely augmented the stamp program and have failed to communicate with local officials charged with administering the stamp program. The committee recommended, at a minimum, the adoption of a procedure "whereby the names of food stamp participants are furnished to the extension service and home visits are in turn made by the aides. Additionally, in view of the protected waiting period which faces most applicants, it might prove feasible, depending on the nature of the waiting area, for nutritional aides to apprise applicants of their services on either a group or individual basis."

Section 7(a) of the Foley-Quie substitute offers the ideal vehicle for implementing these committee recommendations. It requires the food stamp program to enlist the services of private voluntary community agencies as well as other public agencies in nutrition counseling efforts and to afford all participants opportunity to receive nutrition instruction at foodstores or in their homes or in such convenient locations as food stamp offices. The substitute would, pursuant to section 9(b), supply funds to private groups engaged in such counseling and instruction activities.

Section 10(e) of the substitute grants new authority to the Secretary to undertake in the Department or by way of contract with other bodies, public or private nonprofit, research, demonstration, or evaluation projects to develop new approaches or methods to guarantee the provisions of adequate levels of food consumption and nutrition among low-income households. The Secretary would be expected to set aside a portion of the sums appropriated for the food stamp program, in the vicinity of one-half of 1 percent of all such funds, not only to evaluate the program's effectiveness—preferably by involving the numerous private nonprofit agencies concerned with ending hunger and malnutrition that actively participated in the December 1969, White House Conference on Food, Nutrition, and Health—but also to experiment with changes in the ongoing statutory program in selected areas to determine whether further program modifications might be necessary in order better to achieve program goals.

FRAUD

At the present time the only means for dealing with individuals who fraudulently abuse the food stamp program, either by willfully and knowingly supplying misinformation on family size or income with the intent to secure stamps to which they would not otherwise be entitled or by willfully and knowingly exchanging stamps for cash or buying ineligible items with stamps or paying back bills with stamps, have been criminal and then primarily at the State level. The Department's Office of the Inspector General normally refers all recipient violations revealed in the course of its investigations to the States for proper handling. U.S. attorneys have very few misdemeanors or felonies sent to them for prosecution and actually prosecute even less because of their heavy caseloads in other more substantial areas.

Section 8 of the substitute retains the core of the previous criminal provisions of the act. It expands them to cover knowingly making a false affidavit in order to secure program benefits and to encompass abuse of authorization to purchase cards as well as of the stamps themselves. It narrows the existing law by making the distinction between misdemeanor and felony depend not upon the total value of the benefits received, but upon the value of the benefits received that is in excess of what the fraudulent party would otherwise be entitled to. Thus, receipt of $20 additional in stamps each month for 4 months because of a willful misrepresentation as to family size would amount only to a misdemeanor, not a felony, even though the total stamp allotment received over that period was in excess of $100. The substitute also directs the Secretary to take certain administrative steps to prevent theft, misappropriation, and counterfeiting of the stamps.

The criminal route for handling fraud is, however, slow and cumbersome, far too slow and cumbersome to have a significant deterrent effect. What is needed is an expeditious administrative procedure in addition to the criminal route that permits swift handling of frauds as they are uncovered. Section 7(h) of the substitute furnishes precisely such a mechanism for dealing with frauds. If a member of a household willfully and knowingly cheated in order to get his otherwise ineligible household on the program, the operating agency would be empowered to notify the household of its intention to act on the matter, convene a fair hearing conducted according to the standards set forth in FNS(FS) Instruction 732-14—but only upon the written request for such a hearing by the affected household—and, if the hearing authority should thereafter decide to terminate or suspend the household from the program, proceed to carry through such termination or suspension as soon as the household was notified of the hearing authority's decision.

The Secretary would have to decide how to dispose of the findings and/or

the recommendations. His decision would be final and unappealable. On each September 1 of each year, he would have to report to the Congress on the efficacy of these fraud provisions.

CONCURRENT FOOD ASSISTANCE PROGRAMS

For at least 3 years there has been a continuing controversy over the scope of the Secretary's power to distribute commodities in an area in which the food stamp program is also in operation. The acute need for overlapping programs was documented in the spring of 1967 in Mississippi when hundreds of thousands of unemployed farmhands and their families lost Federal food aid as their counties switched from commodities to stamps, primarily because of the novel requirement of purchase price and the redetermination of eligibility. Today in many counties there exist households who, for one reason or another, are simply unable to afford stamps during a given month. If the reason for the temporary inability to participate is a sudden loss of income or rapid rise in expenses, then the Foley-Quie substitute's simplified certification procedures should provide eased access to the program in the form of a lower purchase requirement for a brief period. But if there is no rationale for the difficulty in coming up with the required sums at the appropriate times that can be translated into cheaper food stamp prices, for example, if funds are lost or stolen or have to be used to make a down payment on a car, the family would have to go hungry for that period or else subsist on a diet that only guarantees malnutrition in the absence of other available assistance.

The current Food Stamp Act flatly prohibits "distribution of federally owned foods to households in areas where a food stamp program is in effect" unless the Secretary has determined that there is an emergency situation "caused by a national or other disaster." Secretary Freeman rigidly limited the meaning of "disaster" to a sudden, natural disturbance, such as a flood, hurricane, or earthquake. Secretary Hardin relaxed this concept in December 1969, when he admitted in a California court in a suit that sought to compel him to recognize hunger as a disaster in a county faced with factory shutdowns, that a disaster could include a situation brought about by economic developments. But he refused to extend this to any nonunique circumstances, such as the frequent inability of residents to finance the purchase of food stamps. Thus, it is no longer possible to rely on the existing Food Stamp Act as authority for simultaneously issuing stamps and distributing commodities.

Under the Foley-Quie substitute, as under the committee bill, commencement of a commodity distribution program in a political subdivision in which the food stamp program was already in operation would no longer have to depend solely on the Secretary's finding that a temporary emergency was in effect, although such an emergency, whether naturally or economically caused, would permit the Secretary to superimpose the commodity distribution program on the food stamp program. Thus, if there were a sudden surge in industrial layoffs leading to an economic emergency that inevitably disrupted the commercial channels of food distribution by significantly curtailing supermarket sales, the Secretary would be empowered to pay the entire cost of distributing commodities in the area in addition to the existing food stamp program.

There would be added to this extremely limited trigger to dual programing two other sets of circumstances under which commodities would be distributed while stamps were being used, but, of course, never to the same family during the same month. Concurrent commodity distribution would be authorized by the committee bill if the State agency requested it and agreed to pay for the full cost of its administration, including handling and issuing the commodities. The Federal Government, as usual, would pay for the food that would be distributed. The substitute would expand this request option to encompass requests by private nonprofit organizations or public agencies—including charitable groups, poverty agencies, and so forth—to run the commodity program subject to the same agreement to pay the administrative expenses once the foodstuffs were delivered within the State in question, while the Department furnished the food. Under the substitute, the Secretary would be expected to accede to this request automatically without any further determination on his part of the political subdivision's particular need for dual programing and would have to initiate the delivery of donated foods to appropriate warehouses in the affected State upon certification by the requesting party of the amount of such foods expected to be consumed. We do not anticipate that many States will make this request because of the extra cost of administering two programs at once so that the Department should not have any serious difficulties in projecting its budget for purchases of commodities.

The third situation in which concurrent programs could exist involves the transition period from commodities to food stamps. The committee bill avoids specifying the period at stake other than to refer to "an orderly transition." Section 4(b) of the Foley-Quie substitute seeks to define the transition time during which both programs could exist, with the commodity program run totally at Federal expense. The transition period would last until such time as the number of food stamp participants in the area exceeded the average number of commodity recipients in the 3 months prior to the switch-over. During that period, all costs, including the food and its distribution, would be paid by the Federal Government.

Thus, in any county in which the commodity distribution program was in operation as of the date of enactment of the substitute, the county could switch over to food stamps and still retain the commodity distribution program until food stamp recipients exceeded commodity recipients in accordance with the formula above, although the county would not have to pay anything for running the commodity program during this transition period even though it was paying handling and distribution costs prior to that. Even after the statistical transition period had ended, the county could continue the commodity program by tendering the necessary request to the Secretary, although then the administrative cost burden would be back on the county's shoulders.

COMMODITY DISTRIBUTION

In order to guarantee that the commodity and food stamp programs, which, as demonstrated above, can operate in tandem for the first time, are compatible both from the point of view of program operations and delivery of adequate nutrition, the Foley-Quie substitute and section 4(c), in particular, would revise the distribution of federally donated foods to make it subject to the same eligibility standards—income and resources—and simplified certification that would govern food stamps.

In addition, the commodity distribution program would be obligated to change its focus from easing the burden of farm surplus to feeding the malnourished what they need for an adequate diet. At present there are very few communities in which the complete commodity package is available monthly—24 items at per item allotment rates. At present, even if the complete packages were available, few needy individuals would be willing and able to truck the over 150 pounds of food per month for a family of four home from a distant distribution center that is rarely open when the individuals can make the trip. At present, the complete package itself, even if delivered and consumed without loss attributable to lack of refrigeration or sanitary storage space, does not provide 100 percent of the recommended dietary allowances for certain vital nutrients—particularly vitamin A—and clearly fails to furnish more than 79 percent of the necessary calories. To remedy these defects that seem to undermine the very objectives of the program, the substitute would mandate program administrators to provide conveniently located distribution centers open at sufficient times to satisfy participants' need and further to furnish amounts of foods with 100 percent of the daily calorie requirements. The foods distributed would not have to supply 100 percent of all recommended daily allowances, but should come close.

Finally, the program would be enjoined to provide fortified foods in areas where nutrition surveys demonstrated the prevalence of particular nutritional deficiencies, for example, iodized salt in Texas and Louisiana. This fortified project could operate, in conjunction with the research and demonstration authority in section 10(b), to test new methods of assuring low-income households nutritionally adequate diets, including facilitating the distribution of fortified staples, such as iodized salt or lysine flour, through normal channels of trade. Thus, the Department, in order to eliminate potential protein malnutrition, could and should use this authority to purchase

sufficient quantities of lysine to supply every major flour manufacturer so that the manufacturer could blanket the markets and stores with fortified flour at no additional cost to the consumer.

FUNDING

Section 10(a) of the Foley-Quie substitute authorizes appropriations of $2 billion in the curent fiscal year, $2.5 billion in fiscal year 1972, and $3 billion for the third and final fiscal year. The administration contends that the actual cost of implementing the substitute "would be $3.8 billion in the coming fiscal year and $4.5 billion in the year thereafter." There are three major inadequacies in the administration's analysis. First, they fail to reveal the flimsy basis for their estimation. Second, their own budgetary projections presume inadequate participation, leaving a considerable degree of malnutrition untouched by the program that is supposed to end it. Third, they do not attempt to take the terms of the substitute into account.

To begin with, the administration's calculations are more guesswork than anything else. At no point in the budgeting process can the Department—or the Office of Management and Budget—confidently specify the figures for average monthly individual participation or average monthly bonus, which, when multiplied together and then by 12 supply the annual cost projection. The Department admitted as much over a year ago in a suit filed against it in U.S. District Court in the District of Columbia for, among other things, returning approximately $36 million in appropriated food stamp moneys to the Treasury, *Carper* v. *Department* (D.D.C., Civ. Action No. 171G–69). This problem could not arise under the substitute because unexpended appropriated funds would continue to remain available for the following fiscal year. The Department, in an affidavit signed by Assistant Secretary Lyng in that case, argued that it was proper to have unobligated funds at the end of each fiscal year because:

It is, however, not possible to determine under a program of this nature the exact amount of funds which will be required to operate the program during any given fiscal year because of fluctuations in participation, changes in anticipated opening dates for new food stamp areas, and other unpredictable factors. This problem of making a precise estimate of the expenditures has existed since the initiation of the program in 1964.

The uncertainties that determine per-person costs and levels of participation make it almost inevitable that experience governs, not projections. The Department banks on barriers to full participation by all of the eligible in making their cost calculations, as is reflected in the wide range of estimates of participation it has produced to predict the cost of the Nixon food stamp program. That program would dispense $106 a month in stamps to a family of four at a cost no greater than 30 percent of the family's income, or nothing at all if the family received less than $30 a month. None of these estimates, however divergent, reaches more than 50 percent of the target population.

In March 1969, the President's Urban Affairs Council noted that the program the President later announced in May—with a reduction in the free stamp cutoff from $50 to $30 a month—would cost $2.5 billion by the time it was fully implemented nationwide in fiscal 1973 and cover 11.5 million people. When Secretaries Hardin and Finch testified before the McGovern Nutrition Committee in the Senate in September 1969, the implementation timetable for the full 11.5 million had been delayed to fiscal 1974. The coverage was up to 13.7 million and cost down to $2.4 billion at the end of October 1969, but no zero hour for reaching everyone in that limited group was mentioned.

Then, with the advent of the family assistance plan—FAP—the figures underwent a sea change. The FAP public would be between 23 and 24 million, including 3 million aged, blind, and disabled persons. The administration has constantly emphasized in every budgetary presentation and hearing statement that, under FAP combined with food stamps, the basic Federal benefits would be $2,464–$1,600 in FAP, $864 in food stamp bonuses. This assumes that, at the least, every FAP recipient would also be a food stamp recipient—for a total of 23 million stamp users, excluding eligible couples without children and single individuals who now receive stamps. The administration, however, likes to take credit for supplying the full $2,464 package without any serious intent to reach every FAP beneficiary with stamps.

The fiscal 1971 figures dramatize this deceit. In a January 1970, Budget Bureau special analysis of food stamps as an income security program, $1.9 billion was estimated as the program cost in the absence of FAP or $1.4 billion with it—in September, the FAP-related reduction in food stamps expenditures was set at $700 million. By June 1970, with new FAP changes submitted to the Senate, the administration was referring to a cost increase of $400 million in the food stamp program, necessitated by the inclusion of automatic check-off provisions for FAP clients wishing to obtain food stamps and FAP benefits in one simplified transaction. This should translate to an additional 2 million or so participants, given a per person annual bonus of $170-plus; $2.3 billion, therefore, could, after FAP was in effect, probably extend to 15.5 million food stamp users, but by no means 23 or 26 million.

The Department's Economic Research Service, utilizing as raw data a Health, Education, and Welfare income survey of some 60,000-plus household units in 1966, prepared on June 25, 1970, a table reproduced below that places the Department-supported program bonus costs at $2.317 billion with 13,489,000 participants. That is out of a potential universe of 31,318,000 with incomes below the $4,000 eligibility cutoff.

PROGRAM [1]—$106 COUPON ALLOTMENT AT NO MORE THAN 30 PERCENT OF NET INCOME (32.7 PERCENT TAX RATE)

Eligibility cutoff and participation [2]	Families	Individuals	Total bonus cost	Total cost [3]
$4,000:				
Partial	3,611	13,344	$2,314,549	$2,490,455
Full	8,752	13,318	4,028,976	4,335,178
$4,200 (natural termination):				
Partial	3,705	13,489	2,317,379	2,493,500
Full	10,114	34,272	4,071,244	4,380,659

[1] Based on Nixon bill with free stamps for households of 4 with incomes up to $30 per month, when fully implemented nationwide at least 2 years hence.
[2] Based on the Department estimates of maximum participation rates derived from a mathematical (not an experiential) formula relating allotment size and cost to propensity to participate.
[3] Total cost is bonus cost plus 7.6 percent for administration.

The partial participation indicated above encompasses a very small fraction indeed of the universe of potential participants. The Department discounts not only those who would philosophically refuse to participate in any food stamp program and those whose incomes are only temporarily low, but also those who decline to participate as their income rises and the cost of their allotment rises with it. Early in 1969, the Department roughly calculated participation rates by assuming that between $0 and $300 per capita income, two-thirds of the potention would be reached; between $300 and $600, one-half; between $600 and $900, one-fourth; and between $900 and $1,000-plus, only 2½ percent. More recent arithmetical models are more discriminating, but still place participation in those income brackets in the vicinity of 81 percent, 70 percent, 38 percent, and 11 percent respectively.

To summarize, the Department has no meaningful statistical evidence for projecting participation and projects its own program costs on the basis of only 13.3 million users, which is only 4.5 million more than are currently on the program and would extend Federal food assistance to less than 1 million more poor Americans over the next 3 years than were receiving such aid in October 1970—8.88 million, food stamps; 3.5 million, commodity distribution.

The $4.5 billion estimate the Department would pin upon the substitute—$4.23 billion in bonus stamp values, $670 million in administrative costs—is based upon the highly unlikely participation of 19,501,000 poor individuals or some 80 percent-plus of the 1969 poverty figures and probably well over 90 percent of the persons in poverty during calendar year 1972 when the estimates apply. Such a participation rate for any Federal program is unheard of, even if a cash grant is involved. It is an excellent target figure but one almost impossible to achieve. Besides, the substitute permits—although it does not encourage—the Secretary to reduce the allotment values to

stay within the authorization limits. This is not an open-ended appropriation. Only the Congress would have the power to agree to expand the authorization to reach nearly 20 million poor people.

So that the House may understand the program's present status in terms of participation, we include the following table covering the past 11 months.

Month	Participants	Amount (millions)	Cost per person	Political units
1969: December	3,645,000	$24.5	$6.73	1,584
1970:				
January	3,795,000	26.9	7.08	1,589
February	4,416,000	54.9	12.42	1,609
March	5,075,000	71.0	13.99	1,624
April	5,629,000	80.1	14.23	1,664
May	6,070,000	86.5	14.25	1,698
June	6,470,000	$91.6	$14.16	1,747
July	6,946,000	98.1	14.12	1,811
August	7,159,000	100.5	14.04	1,849
September	8,238,000	116.2	14.10	1,913
October	8,883,000	125.8 (121?)	14.03	1,947

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

Mr. POAGE. Mr. Chairman, does the gentleman suggest that this substitute authorizes the recovery of fraudulently received money to the Government?

How are we going to get blood out of a turnip? How are you going to recover anything?

Mr. FOLEY. What the substitute authorizes is the reduced contributions of food stamps to families that have been receiving more than they are entitled to receive, that is one alternative; the other alternative is complete suspension or elimination of the family if there is fraud involved.

Mr. POAGE. The committee bill authorizes both of those things, but that does not recover a penny, does it? Neither will the substitute.

Mr. FOLEY. The committee bill relies on the criminal penalties, which the substitute contains as well. But the problem—and our experience has shown criminal penalties are not very effective in controlling abuses of this program, because there are only 800 assistant U.S. attorneys in the United States, and they are unable——

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

(By unanimous consent, Mr. FOLEY was allowed to proceed for 1 additional minute.)

Mr. FOLEY. Mr. Chairman, I hope that the committee will consider that there are in the United States millions of American families who are not only not receiving a diet of nutritious and healthy food, but who are unable to receive or have such a diet because they do not have an adequate income. The substitute is designed to close this gap and to redeem the President's pledge. Surely there is no excuse that can be offered, and no excuse that can be received in this country today for millions of Americans to be hungry in the midst of more affluence than any society has ever known.

Mr. Chairman, this is a time when contributions are sought at Christmas time to make the lives of many families a little bit richer and more rewarding. This House has an opportunity to make a contribution to the pressing needs of millions of American families, and not only this Christmas, but in the years to come.

Mr. ROSTENKOWSKI. Mr. Chairman, today, I rise in strong support of the Foley-Quie substitute to the House Agriculture Committee's food stamp bill. This substitute, the Family Nutrition Act of 1970, contains significant and much-needed improvements in the food stamp program. I feel that it represents a substantial improvement over the bill reported by the committee. The changes suggested by the committee not only fail to correct the present inadequacies of the law, they in fact create several additional problems which may prove lethal to the food stamp program.

Since its inception in 1964, the Federal food stamp program has greatly benefited my own State of Illinois in general, and the city of Chicago, in particular. During this past year, in the month of July alone, over 249,000 people in the city of Chicago benefited from the Federal food stamp program. The value of the stamps distributed during that 1 month alone was more than $5,342,000.

The effects of the committee bill on this program would be tragic. In addition to greatly reducing the percentage of the needy that would be eligible for the program, this bill places an increased financial burden on State and local government. The committee bill would require that those already over-burdened units assume an additional 10 percent of the cost of the program by 1974. At a time when Federal funds should be shared with the States and cities to help them meet their ever-increasing financial commitments, this legislation is more of a step backward than a progressive step forward.

Considering the maladies which plague our cities, we must work for the strongest possible food stamp program for the 1970's. We can no longer tolerate the widespread existence of pockets of hunger and malnutrition which exist in our land. Our best hope for an effective program in this area is to send the strongest possible food stamp bill to the conference committee. This would be the Foley-Quie bill.

I would like to commend my colleagues, Congressman TOM FOLEY and Congressman AL QUIE for their sound and well-thought-out proposal. Their bill is the product of many long hours of research both by the Congressmen and by their respective staffs.

As a cosponsor of their fine proposal, I urge you all to give it your strongest support.

SUBSTITUTE AMENDMENT OFFERED BY MR. ABBITT FOR THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. FOLEY

Mr. ABBITT. Mr. Chairman, I offer a substitute amendment for the amendment in the nature of a substitute offered by the gentleman from Washington (Mr. FOLEY).

The Clerk read as follows:

Substitute amendment offered by Mr. ABBITT for the amendment in the nature of a substitute offered by Mr. FOLEY: Page 1, line 3, strike out all after the enacting clause and insert in lieu thereof the following:

That section 2 of the Food Stamp Act of 1964, as amended, is amended to read as follows:

"It is hereby declared to be the policy of Congress, in order to promote the general welfare, that the Nation's abundance of food should be utilized cooperatively by the States, the Federal Government, local governmental units, and other agencies to safeguard the health and well-being of the Nations population and raise levels of nutrition among low-income households. The Congress hereby finds that the limited food purchasing power of low-income households contributes to hunger and malnutrition among members of such households. The Congress further finds that increased utilization of food in establishing and maintaining adequate national levels of nutrition will promote the distribution in a beneficial manner of our agricultural abundances and will strengthen our agricultural economy, as well as result in more orderly marketing and distribution of food. To alleviate such hunger and malnutrition, a food stamp program is herein authorized which will permit low-income households to purchase a nutritionally adequate diet through normal channels of trade."

Sec. 2. (a) Add the following sentence at the end of subsection 3(f) of the Food Stamp Act of 1964, as amended: "It shall also mean a political subdivision or a private non-profit organization that meets the requirements of section 10(h) of this Act."

(b) Subsection (j) of section 3 of the Food Stamp Act of 1964, as amended, is amended to read as follows: "The term 'State' means the fifty States and the District of Columbia, Guam, Puerto Rico, and the Virgin Islands of the United States.".

(c) Add the following new subsection at the end of section 3 of the Food Stamp Act of 1964, as amended:

"(1) The term 'elderly person' shall mean a person sixty years of age or over who is not a resident of an institution or boarding house, and who is living alone, or with spouse, whether or not he has cooking facilities in his home."

(d) Section 3 of the Food Stamp Act of 1964, as amended, is amended by adding the following new subsection:

"(m) The term 'authorization to purchase card' means any document issued by the State agency to an eligible household which shows the face value of the coupon allotment the household is entitled to be issued on presentment of such document and the amount to be paid by such household for such allotment."

Sec. 3. Subsections (a) and (b) of section 4 of the Food Stamp Act of 1964, as amended, are amended to read as follows:

"(a) The Secretary is authorized to formulate and administer a food stamp program under which, at the request of the State agency, eligible households within the State

shall be provided with an opportunity to obtain a nutritionally adequate diet through the issuance to them of a coupon allotment which shall have a greater monetary value than the charge to be paid for such allotment by eligible households. The coupons so received by such households shall be used only to purchase food from retail food stores which have been approved for participation in the food stamp program. Coupons issued and used provided in this Act shall be redeemable at face value by the Secretary through the facilities of the Treasury of the United States.

"(b) In areas where the food stamp program is in operation, there shall be no distribution of federally donated foods to households under the authority of any other law except that distribution thereunder may be made: (1) during temporary emergency situations when the Secretary determines that commercial channels of food distribution have been disrupted; (2) for such period of time as the Secretary determines necessary, to effect an orderly transition in an area in which the distribution of federally donated foods to households is being replaced by a food stamp program; or (3) on request of the State agency: *Provided,* That the Secretary shall not approve any plan established under this Act which permits any household to simultaneously participate in both the food stamp program and the distribution of federally donated foods under this clause (3)."

SEC. 4. Section 5 of the Food Stamp Act of 1964, as amended, is amended to read as follows:

"(a) Except for the temporary participation of households that are victims of a disaster as provided in subsection (b) of this section, participation in the food stamp program shall be limited to those households whose income and other financial resources are determined to be substantial limiting factors in permitting them to purchase a nutritionally adequate diet.

"(b) The Secretary, in consultation with the Secretary of Health, Education, and Welfare, shall establish uniform national standards of eligibility for participation by households in the food stamp program and no plan of operation submitted by a State agency shall be approved unless the standards of eligibility meet those established by the Secretary. The standards established by the Secretary, at a minimum, shall prescribe the amounts of household income and other financial resources, including both liquid and nonliquid assets, to be used as criteria of eligibility. Any household which includes a member who has reached his eighteenth birthday and who is claimed as a dependent child for Federal income tax purposes by a taxpayer who is not a member of an eligible household, shall be ineligible to participate in any food stamp program established pursuant to this Act during the tax period such dependency is claimed and for a period of one year after expiration of such tax period. The Secretary may also establish temporary emergency standards of eligibility, without regard to income and other financial resources, for households that are victims of a disaster which disrupted commercial channels of food distribution when he determines that such households are in need of temporary food assistance, and that commercial channels of food distribution have again become available to meet the temporary food needs of such households: *Provided,* That the Secretary shall in the case of Puerto Rico, Guam, and the Virgin Isands, establish special standards of eligibility and coupon allotment schedules which reflect the average per capita income and cost of obtaining a nutritionally adequate diet in Puerto Rico and the respective territories; except that in no event shall the standards of eligibility or coupon allotment schedules so used exceed those in the fifty States.

"(c) Notwithstanding any other provisions of law, the Secretary shall include in the uniform national standards of eligibility to be prescribed under subsection (b) of this section a provision that each State agency shall provide that a household shall not be eligible for assistance under this Act if it includes an able-bodied adult person between the ages of eighteen and sixty-five (except mothers or other members of the household who have the responsibility of care of dependent children or if incapacitated adults or who are bona fide students in any accredited school or training program) who either (a) fails at not less than the higher of State or Federal employment office or, when impractical, at such other appropriate State or Federal office designated by the Secretary, or (b) has refused to accept employment or public work at not less than the higher of State or Federal minimum wage or the wage established by a valid regulation of any agency of the Federal Government authorized by existing law to establish such regulation. Refusal to work at a struck plant or site for the duration of a strike shall not be deemed to be a refusal to accept employment."

"(d) Notwithstanding any other provision of law, any household shall be ineligible for the food stamp program if, and for as long as, any member of such household is engaged in a strike, labor dispute, or other similar action involving a voluntary work stoppage on the part of such household member: *Provided,* That such ineligibility shall not apply to any household that was eligibile for and participating in the food stamp program immediately prior to the start of such strike, dispute, or other similar action in which any member of such a household engages."

SEC. 5. Subsections (a) and (b) of section 7 of the Food Stamp Act of 1964, as amended, are amended to read as follows:

"(a) The face value of the coupon allotment which State agencies shall be authorized to issue to any households certified as eligible to participate in the food stamp program shall be in such amount as the Secretary determines to be the cost of a nutritionally adequate diet.

"(b) Notwithstanding any other provision of law, households shall be charged for the coupon allotment issued to them, and the amount of such charge shall represent a reasonable investment on the part of the household, but in no event—

"(1) less than 50 cents per person per month for a household of five or less persons, or $3 per household per month for a household of six or more persons; or

"(2) more than 30 per centum of the household's income.

The State agency may arrange for payment from State or local sources, including sums made available by charitable and similar organizations, of such portion of the minimum charge as may be necessary to insure the participation of all households certified for participation at the minimum charge: *Provided,* That the Secretary shall provide a reasonable opportunity for any eligible household to elect to be issued a coupon allotment having a face value which is less than the face value of the coupon allotment authorized to be issued to them under subsection (a) of this section. The charge to be paid by eligible households electing to exercise the option set forth in this subsection shall be an amount which bears the same ratio to the amount which would have been charged under subsection (b) of this section as the face value of the coupon allotment actually issued to them bears to the face value of the coupon allotment that would have been issued to them under subsection (a) of this section."

SEC. 6. (a) Subsection (e) of section 10 of the Food Stamp Act of 1964, as amended, is amended to read as follows:

"The State agency of each State desiring to participate in the food stamp program shall submit for approval a plan of operation specifying the manner in which such program will be conducted within the State, the political subdivisions within the State in which the State desires to conduct the program, and the effective dates of participation by each such political subdivision. In addition, such plan of operation shall provide, among such other provisions as may by regulations be required, the following: (1) the specific standards to be used in determining the eligibility of applicant households; (2) that the State agency shall undertake the certification of applicant households in accordance with the general procedures and personnel standards used by them in the certification of applicants for benefits under the federally aided public assistance programs; (3) safeguards which restrict the use or disclosure of information obtained from applicant households to person directly connected with the administration or enforcement of the provisions of this Act or the regulations issued pursuant to this Act; (4) for the submission of such reports and other information as from time to time may be required; (5) that the State agency shall undertake effective action, including the use of services provided by other federally funded agencies and organizations, to inform low-income households concerning the availability and benefits of the food stamp program and insure the participation of eligible households; and (6) for the granting of a fair hearing and a prompt determination thereafter to any household aggrieved by the action of a State agency under any provision of its plan of operation as it affects the participation of such household in the food stamp program. Upon the joint approval of the Secretary and the Secretary of Health, Education, and Welfare the State plan may provide for withholding the amount to be paid by a household for its coupon allotment from any payment made by the State agency to such household under a federally aided public assistance program, if such withholding is authorized by such household. In approving the participation of the subdivisions requested by each State in its plan of operation, the Secretary shall provide for an equitable and orderly expansion among the several States in accordance with their relative need and readiness to meet their requested effective dates of participation."

(b) Add the following new subsection to section 10 of the Food Stamp Act of 1964, as amended:

"(h) Subject to such terms and conditions as may be prescribed by the Secretary in the regulations issued pursuant to this Act, members of an eligible household who are sixty years of age or over or an elderly person and his spouse may use coupons issued to them to purchase meals prepared for and delivered to them by a political subdivision or by a private nonprofit organization which: (1) is not receiving federally donated foods from the United States Department of Agriculture for use in the preparation of such meals; (2) is operated in a manner consistent with the purposes of this Act; and (3) is recognized as a tax exempt organization by the Internal Revenue Service: *Provided,* That household members or elderly persons to whom meals are delivered are housebound, feeble, physically handicapped, or otherwise disabled, to the extent that they are unable to adequately prepare all of their meals. Meals served pursuant to this subsection shall be deemed 'food' for the purposes of this Act."

SEC. 7. Subsections (a) and (b) of section 14 of the Food Stamp Act of 1964, as amended, are amended as follows:

"(a) Notwithstanding any other provisions of this Act, the Secretary may provide for the purchase, issuance or presentment

for redemption of coupons to such person or persons, and at such times and in such manner, as he deems necessary or appropriate to protect the interests of the United States or to insure enforcement of the provisions of this Act or the regulations issued pursuant to this Act.

"(b) Whoever knowingly uses, transfers, acquires, alters, or possesses coupons or authorization to purchase cards in any manner not authorized by this Act or the regulations issued pursuant to this Act shall, if such coupons or authorization to purchase cards are of the value of $100 or more, be guilty of a felony and shall, upon conviction thereof, be fined not more than $10,000 or imprisoned for not more than five years or both, or, if such coupons or authorization to purchase cards are of a value of less than $100, shall be guilty of a misdemeanor and shall, upon conviction thereof, be fined not more than $5,000 or imprisoned for not more than one year, or both."

SEC. 8. Subsection (b) of section 15 of the Food Stamp Act of 1964 as amended, is amended to read as follows:

"(b) The Secretary is authorized to pay to each State agency an amount equal to 62½ per centum of the sum of (1) the direct salary, travel, and travel-related cost (including such fringe benefits as are normally paid) of personnel, including the immediate supervisors of such personnel, for such time as they are employed in taking the action required under the provisions of subsection 10(e)(5) of this Act and in making certification determinations for households other than those which consist solely of recipients of welfare assistance; (2) the direct salary, travel, and travel-related costs (including such fringe benefits as are normally paid) of personnel for such time as they are employed as hearing officials under section 10(e) of the Act."

SEC. 9. Section 15 of the Food Stamp Act of 1964 is further amended by adding the following subsection:

"(c) Notwithstanding any other provision of law, each State shall be responsible for financing, from funds available to the State or political subdivision thereof, 10 per centum of the value of the coupon allotment issued to eligible households which is in excess of the charges paid by such households for such allotments: *Provided,* That such State financing shall be 2½ per centum for the fiscal year ending June 30, 1972; 5 per centum for the fiscal year ending June 30, 1973; 7½ per centum for the fiscal year ending June 30, 1974; 10 per centum for the fiscal year ending June 30, 1975; and 10 per centum for each fiscal year thereafter. Each State shall transfer such sums to, and they shall be made a part of, the separate account created under section 7(d) of this Act. Each State shall transfer such sums to such account within one calendar month following the calendar month in which the coupon allotments are issued to eligible households: *Provided further,* That the provisions of this subsection shall not be effective for any coupon allotments issued prior to July 1, 1971 (or July 1, 1972, in the case of a State wherein the State legislature has not held a session after enactment of this section and prior to July 1, 1971), to enable each State to take such action as is necessary under the statutes of the States to comply with the provisions of this subsection."

SEC. 10. Section 16(a) of the Food Stamp Act of 1964, as amended, is amended to read as follows:

"To carry out the provisions of this Act, there is hereby authorized to be appropriated such sums as the Congress may appropriate for the fiscal years ending June 30, 1971, June 30, 1972, and June 30, 1973, and not in excess of such sum as may hereafter be authorized by Congress for any subsequent fiscal year. This Act shall be carried out only with funds appropriated from the general fund of the Treasury for that specific purpose and in no event shall it be carried out with funds derived from permanent appropriations."

SEC. 11. State plans of operation approved by the Secretary of Agriculture under the Food Stamp Act of 1964, as amended, prior to the date of the enactment of amendments thereto by this Act shall continue in effect until such plans are changed to accord with such amendments: *Provided,* That no such previously approved plan shall remain unchanged for more than one hundred and eighty days after the enactment of such amendments.

Mr. ABBITT (during the reading). Mr. Chairman, I ask unanimous consent that the substitute amendment for the amendment in the nature of a substitute be considered as read and printed in the RECORD.

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

Mr. FOLEY. Mr. Chairman, reserving the right to object, does the gentleman from Virginia intend to explain this substitute?

Mr. ABBITT. I hope to have that opportunity.

Mr. FOLEY. Mr. Chairman, I withdraw my reservation of objection.

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

There was no objection.

Mr. ABBITT. Mr. Chairman, I rise in support of my amendment in the nature of a substitute to H.R. 18582.

My substitute is simple. It is the language of the committee bill with three changes.

First. It includes a modified form of the "striker amendment" originally passed by the House in 1968 but later deleted from the conference report on the food stamp bill. It would ban food stamp aid to strikers and it is patterned after the amendment proposed by the gentleman from Pennsylvania (Mr. GOODLING) prior to the debate on this bill.

Second. It updates the State-sharing amendment included in the committee bill by postponing the effective dates 1 year. This is necessary in order to give State legislatures adequate time to comply with this provision.

Third. It deletes from the bill certain "backdoor spending" language which permits unspent appropriations to be made available from 1 year to the next. This language in the committee bill is subject to a point of order and was specifically protected by a waiver in the rule on H.R. 18582.

Now, Mr. Chairman, I would like to explain in a little more detail just why I have offered this substitute and what it would do.

As I mentioned earlier, this substitute contains nearly all of the committee bill which was carefully worked out by the committee. It was approved by a 25 to 2 vote and it has strong bipartisan support in the House.

I will not dwell on the details at this point, but I do want to have it understood that I support the committee bill and its attempt to bring food stamp assistance to those who are truly in need.

I have taken this parliamentary opportunity to present the committee bill in order to allow the House to work its will on this legislation in an orderly manner. It seems to me that when one of the great committees of the House spends months and months working and perfecting a bill and then approving it with only two dissenting votes, it should be given a priority for serious consideration by the House.

The three changes I have included are designed to meet legitimate objections that exist either to the program or to the bill itself, due to the passage of time since it was approved by the committee.

FOOD STAMPS AND STRIKERS

As a member of the committee in 1964, when this program started, I for one had no idea that food stamps would be used to subsidize strikers. I was shocked when the Agriculture Department in 1965 made a determination that strikers could get food stamp aid. I supported the committee effort in 1968 to reverse this policy, and I supported the House position in passing a ban on food stamps to strikers.

The food stamp program was originally designed to provide an additional means of raising the nutritional level for the less fortunate—those who are blind, sick, disabled, those on welfare with minor children, the old, the infirm, and the unemployed.

We thought we were extending the benefits of this program to those who, through no fault or action of their own, were not able to obtain an adequate diet. We had no idea that this program would be extended to those who, by their own choice or the choice of their own group, decided to be out of work.

Let me make it clear that I do not oppose or question the right to strike. That is a protected legal right available to all workers in this country.

I do, however, question the wisdom of the Federal Government subsidizing the members of a labor union which decides to go out on strike.

The aid provided by this program to strikers is a very significant factor in unions being able to enforce unrealistic wage demands upon employers. Between welfare benefits and food stamps, strikers can stay out of work with relatively little discomfort for weeks and weeks. Business eventually must give in. Let us take the recent General Motors strike, for example.

I do not know how large the union strike fund was, but I do know the U.S. Government subsidized that strike to the tune of some $12 million. The Department of Agriculture at least has informed the committee that—

It is estimated, however, that the value of bonus coupons issued to GM strikers (and their families and others who became unemployed because of the GM strike) could have been as high as six to seven million dollars in each of October and November.

The Department went on to say that—

It is not possible to determine the extent to which October costs may have been increased by general increases in unemployment rates, i.e., those not associated with the GM strike. Therefore, the two-month cost of between $12–$14 million is to be regarded as an outside estimate.

It seems to me, therefore, that we should draw the line on this kind of a practice. We should decide here and now whether food stamps should go to strikers. My substitute would stop this unwise practice.

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

Mr. ABBITT. I yield to the gentleman.

Mr. CONYERS. I thank the gentleman for yielding. Did I understand him to say that food stamps for strikers and their families are going to be excluded specifically by his amendment?

Mr. ABBITT. That is right.

Mr. CONYERS. Does that include the children of strikers—will they be precluded from the benefits of this welfare program?

Mr. ABBITT. It includes the families of strikers.

Mr. CONYERS. Would the gentleman kindly explain what rationale he employs to preclude children from getting enough food to eat just because one of their parents might be on a strike?

Mr. ABBITT. I am glad that the gentleman has asked that question.

Let me just read to the gentleman what the amendment does say.

Mr. CONYERS. I would like to know if the gentleman can offer to the Members a rationale as to why we should deprive children whose parents might be on strike the benefits of food stamp legislation.

Mr. ABBITT. The gentleman would like to know why and I would like to explain why to him.

I understand how the gentleman feels.

This has a proviso in it which provides that such ineligibility shall not apply to any household that was eligible for participation in the food stamp program immediately prior to the starting of such strike, dispute, or other similar actions in which any member of such household is involved.

That is simple and clear—if they are eligible to get food stamps before the strike, then they can get it during the strike.

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

(By unanimous consent, Mr. ABBITT was allowed to proceed for 3 additional minutes.)

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

Mr. ABBITT. I yield to the gentleman from Indiana.

Mr. MYERS. I wonder if the gentleman from Michigan would think that in a family, if food stamps were provided for the children, the father would not eat? Does he think the father of that family would not eat any food purchased by food stamps?

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

Mr. ABBITT. I would like to conclude my statement. I suggest that the gentleman might take his own time and put his philosophy before the House, and I will try to get mine before the House.

STATE SHARING

In regard to the State-sharing amendment, I would point out that under any substitute State sharing would generally begin in fiscal 1972—that is, on July 1, 1971. The exception to this rule would be for States which do not hold a session of their legislature prior to July 1 of next year. In those States the deadline would be July 1, 1972.

Thus, under my substitute, as under the committee bill, States would begin paying 2½ percent of the cost of food stamps in fiscal year 1972. They would pay an additional 2½ percent each year until fiscal year 1975 when the State share would be 10 percent from then on.

I know we will hear a lot of talk that the States are broke and cannot afford to put up a dime to get a Federal dollar. But has anyone looked in the Federal Treasury lately? It is not exactly running over with black ink. After all, the States have almost as many sources of revenue as does the Federal Government. It is time for them to take some responsibility for this program before it gets completely out of hand—and the way to establish that responsibility is through the States' purse strings.

TECHNICAL AMENDMENT

The third change in my substitute is basically technical in nature. The committee bill was protected by a waiver of points of order in the rule. My substitute was not. Therefore I have removed the objectionable "backdoor spending" language in my substitute.

In conclusion, Mr. Chairman, I urge the adoption of my substitute. It includes the sound—and I might add generous—provisions of the committee bill while stopping food stamp aid to strikers and giving the several States an adequate time to prepare for assuming a small part of the responsibility for this gigantic program.

AMENDMENT OFFERED BY MR. RAILSBACK TO THE SUBSTITUTE AMENDMENT OFFERED BY MR. ABBITT FOR THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. FOLEY

Mr. RAILSBACK. Mr. Chairman, I offer an amendment to the substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. RAILSBACK to the substitute amendment offered by Mr. ABBITT for the amendment in the nature of a substitute offered by Mr. FOLEY: On page 13, strike out line 19 and all that follows down through and including line 18 of page 14.

Redesignate the succeeding sections accordingly.

The CHAIRMAN. The gentleman from Illinois is recognized for 5 minutes in support of his amendment.

Mr. RAILSBACK. Mr. Chairman and Members of the House, this amendment is intended to strike section 9 from the bill. Section 9 is a surprise attack upon the treasuries of the various States and it is not made acceptable by virtue of the fact that the attack comes in stages.

In 1968, President Nixon went to the people of the United States with a platform that emphasized the need for the Federal Government to assist the States. He called for a new federalism. To meet that commitment he submitted to this Congress a revenue sharing bill. He recognized, as we must, that the tax burden of the Federal Government is a major cause of State, county, and city economic straits. The leftovers are simply not enough to sustain adequate life, nor do they provide a base for State and local governments to meet the challenge of the 1970's.

Now we are presented with a bill, H.R. 18582, which calls for the States to assist the Federal Government in the operation of the food stamp program by "buying-in" at the rate of 2.5 percent this year and an automatically escalating rate of up to 10 percent in subsequent years. This provision is directly contradictory to the concept of Federal relief for the States.

The U.S. Department of Agriculture projects that by 1973 this will cost the State of California approximately $28 million. Based upon USDA figures for June of 1970, the 10-percent "buy-in" would cost my State of Illinois approximately $9 million. When we consider that since June, the food stamp program has increased by a third, it would then be estimated that the cost to Illinois would be about $12 million.

Smaller States are also substantially affected. Louisiana runs a larger program than Illinois. In fact, 25 percent of the program moneys are spent in the South. Based upon actual expenditure levels for June 1970, the 10-percent buy-in feature would cost Louisiana $9.3 million. It would cost Mississippi $7.6 million, South Carolina $6 million, North Carolina $4 million, Alabama $3.9 million, and Georgia $3.3 million.

Furthermore, since the program is run by county governments in some States, the burden would fall on many counties as well as States. The full effect of this provision cannot be overemphasized. In many States, the buy-in provision would jeopardize the continuation of the food stamp program. This would be true in the States with the most severe financial problems. For example, Portland, Oreg., is apparently contending with a large unemployment rate and a recent article in the Wall Street Journal states that Portland has the largest food stamp program of any city of its size. If the State of Oregon had to drop the food stamp program it would have a very serious effect upon Portland.

An alternative to dropping the program entirely, would be for the States to shift to the agricultural commodity program. This alternative is not very desirable in my opinion, either in human terms or in the effect of the commodity program on the economy of a depressed area. Furthermore, the Federal Government has been encouraging States to shift from the commodity program to food stamps.

Another serious weakness in the buy-in provision is that it creates a credibility gap for all grant-in-aid programs. The grant-in-aid concept is presently well accepted. It encourages States to undertake programs by providing part of the cost. A State can decide whether or not to participate and can budget accordingly. The buy-in provision of H.R. 18582, however, subverts the grant-in-aid concept by suggesting that the Federal Government can create a large program on its own and then force the States to pay part of the cost on penalty of losing the entire program. This is an unpleasant way to expand Federal programs. The States

would be hesitant to enter into grant-in-aid programs for fear that once the program is established they will be left holding the bag for an expense they had not counted upon.

Mr. Chairman, I would like to see a return to the revenue sharing concept. I do not feel I can responsibly force my State to ante-up $12 million to stay in the food stamp program. No member should be anxious to commit his State or county to such a participation fee. My amendment would eliminate this precedent setting and dangerous addition to the food stamp legislation. I ask that my colleagues join me in striking section 9 from the bill by supporting my amendment.

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

Mr. RAILSBACK. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. Mr. Chairman, I thank the gentleman from Illinois for yielding.

I would like to ask if the gentleman is opposed to the other Federal-State programs such as the highway programs, the welfare programs, the urban renewal programs, where we do have State sharing? This is a compromise of what the gentleman from Minnesota (Mr. QUIE), offered in the food stamp program several years ago, that the States would participate 50 percent. We have submitted 10 percent. We think it is a reasonable request.

Mr. RAILSBACK. Let me respond to the gentleman by saying if I had my choice, I would favor the restructuring of our so-called Federal assistance programs to go to a broad general revenue-sharing program.

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

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

Mr. TEAGUE of California. Mr. Chairman, will the gentleman yield?

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

Mr. TEAGUE of California. Mr. Chairman, I wonder if the gentleman from Illinois is aware of the fact that most States—and certainly California—have a sales tax system. I assume the gentleman might have guessed I am in support of the gentleman's opposition to the State sharing. I am not. Sales taxes are levied, are collected on the sales of food bought with food stamps. I think it perfectly proper as a cost-sharing device. I believe the bill is quite correct in its concept and in its provisions in this regard.

Mr. RAILSBACK. Mr. Chairman, if I may just finish this one point, I want to mention I have a letter from the National Conference of Governors, who had this under consideration. They are strongly opposed to this particular part, as we can imagine, because of the drain on the State treasuries.

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

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

Mr. COLLIER. Mr. Chairman, the gentleman certainly would expect the Conference of Governors to be against paying any part of the tab for this program, would he?

Mr. RAILSBACK. That is why I said, "As we can imagine." They have every reason to be against it.

Mr. COLLIER. Also, let me point out that fiscal condition of the Federal Government is worse than that of the States if we are to make a logical judgment on what each can afford.

Mr. DON H. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. RAILSBACK. I yield to the gentleman from California (Mr. CLAUSEN).

Mr. DON H. CLAUSEN. Mr. Chairman, Governor Reagan, of California, has asked me to relate his concern and feelings regarding the House version of Senate-passed food stamp amendments, House bill H.R. 18582, which is being considered today. The final version will affect each of your districts somewhat differently. However, the requirement that States buy-in on an escalated scale from 2½ percent of the food stamp value the first year, up to 10 percent in fiscal year 1974 and thereafter, has heavy financial impact for all Californians.

Our preliminary estimates indicate that this provision will cost California taxpayers at least $3.5 million the first year, $9 million the second year, $15.8 million the third year, $25.6 million the fourth year, and $28.8 million the fifth year.

Regardless of your opinion of other aspects of this bill, I am sure you will agree that such huge sums are beyond the capacity of California taxpayers to pay.

Therefore, I urge you to initiate or support whatever amendment action is necessary to remove this portion of the bill, identified on page 26 of House Report No. 91–1402 as subsection 15(c).

Mr. MONTGOMERY. Mr. Chairman, I rise in opposition to the Railsback amendment.

Mr. Chairman, the Railsback amendment relates to the State sharing and participation.

This is a compromise proposal, as I mentioned before. The amendment was offered several years ago. It would have required the States to participate 50 percent. What we have added to the bill would only require the States to participate 10 percent, 2½ percent per year starting after July, 1972.

What has been said here is true. Some of the States, which have sales taxes, have actually made a profit on the food stamp program.

Illinois is one of the States which have food sales taxes. I believe it is 4½ percent. The State of Illinois collects sales taxes on the food stamps.

Actually many States have been making a profit from the food stamp program.

I hope the Members will further consider that this has been a reasonable request. All of our programs average out at about 50 percent State participation. I speak of the welfare programs, urban renewal, sewerage and gutter funds, loans to cities and counties. They average out at about 50 percent. We also have a State-sharing in the highway program.

I might mention there was quite a bit of discussion on this amendment in the committee. I offered the amendment. My State will be affected. My State will have to pay about as much as any other State. We participate in the food stamp program.

The program is going pretty well in Mississippi.

Naturally the Governors would be opposed to this provision relating the food stamp program. They do not want to eat into their budgets; they would prefer to have the Federal Government participate and pay for it. But the Governors have been meeting all over this country and out of the country. They have met in Puerto Rico. They have met in Miami. They have a lot of conferences. This is really the first time I have heard that as a group the Governors are opposed to this State sharing. I know individual Governors are, but I was rather surprised when the gentleman said he had a letter from the National Governors Conference, because we have been alert to see if the Governors would take any action in conference. So far as I know they have not.

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

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

Mr. RAILSBACK. I thank the gentleman for yielding.

What happens if there is a State government which is about broke?

Mr. MONTGOMERY. We have a Federal Government which is about broke.

Mr. RAILSBACK. That is very true, and I believe that point could be raised about the entire program. I am talking about a State. Say that the gentleman's own State was financially strapped and did not have funds, and yet had impoverished people who need to participate in the program. How would they be able to participate if the State did not participate?

Mr. MONTGOMERY. The States will not back out of the food stamp program. It has meant too much to the people and it has meant too much to the small and large stores for them to do that. In the stores where they have had the food stamp program they have increased their business in some cases by 35 percent, as a result of the food stamp program. It is doing well. They will not do away with the food stamp program.

Mr. ANDREWS of Alabama. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from Alabama.

Mr. ANDREWS of Alabama. I doubt that there is a State in the Union which is in as bad a financial condition as the Federal Government. We owe $400 billion. We mentioned the fact that in the appropriation bill for 1971, just for the interest on the national debt, it is $20.8 billion, which runs at the rate of $400 million a week.

Mr. MONTGOMERY. I thank the gentleman.

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

Mr. MONTGOMERY. I yield to the gentleman from Indiana.

Mr. MYERS. The gentleman from Illinois expressed concern with the fact that the States would have to pay a part of the expanded program. I believe he has ignored the fact that this open-ended program will assume feeding a greater proportion of welfare recipients in each State. A much greater number of people would have to be paid for under this new program. The States are going to be relieved under this program, because it will be assisting in feeding more and more people.

The administrator, the man who stands there at home and hands out the food stamps, is a State official. I believe those people will be much more alert and much more careful of the use of that money, how it is spent, if they are paying a part of it. That is the reason why it is in there.

Mr. MONTGOMERY. I am glad the gentleman brings that point forward. In the field investigation report which each Member received, on the investigation of the food stamps, it is pointed out that States needed to supervise this program more.

(By unanimous consent, at the request of Mr. ABBITT, Mr. MONTGOMERY was allowed to proceed for 1 additional minute.)

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

Mr. ABBITT. As the gentleman pointed out, this committee bill we have before us and the substitute simply require a start of 2½ percent for the next fiscal year and 5 percent for the fiscal year ending in 1973 and only 7½ percent in fiscal year 1974. It never gets beyond 10 percent. Is that correct?

Mr. MONTGOMERY. The gentleman is correct.

Mr. ABBITT. That is all in the committee bill.

Mr. MONTGOMERY. And I think in the gentleman's substitute there is a provision that would give the State legislatures almost a year and a half to enact these provisions, starting with the 2½ percent in fiscal year 1972. Is that correct?

Mr. ABBITT. That is exactly right. I thank the gentleman for yielding.

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

Mr. Chairman, the amendment to the substitute to the substitute to the committee bill which has just been offered by the gentleman from Illinois (Mr. RAILSBACK) really only does one thing. It takes out the so-called Montgomery amendment. That is one of the features, of course, of the substitute bill itself. The substitute bill has that effect, the same effect as the Railsback amendment, but it does many other things as well. The remaining Abbitt substitute offered by the gentleman from Virginia would bar all food stamp eligibility by strikers and their families. The Committee on Agriculture is not generally reputed in this House to be a wildly liberal or left-leaning committee. It is by general consensus considered perhaps the most conservative committee in the Congress. The specific amendment to bar strikers was offered and considered by the Committee on Agriculture and was later removed from the committee bill. It is now neither in the committee bill nor in the substitute. The reason it is not in either bill is that both the committee bill and the substitute contain work requirements. For the first time eligibility for this program depends upon able-bodied adults registering and accepting employment—not just training but employment. The bill comprehends that strikers as well as others would be required to register and accept employment with a single limitation, namely, that no striking member could be required to accept employment at a struck plant or site.

In view of the fact that that requirement of registering and accepting work is in both the bill and the substitute, it seemed to the committee unnecessary and undesirable. I think it is also unjust.

There are many reasons why strikes occur. Strikes are still legal instrumentalities for the settling of economic disputes in this country. Many striking families are headed by members of the family who voted against the strike in the strike vote required by the Landrum-Griffin Act. Many locals have voted against strikes to find themselves on strike despite their position. These families would be caught in the antistrike provision as well as any family of a member who voted for the strike.

I think we have to ask ourselves the question, Whose fault is the strike? It is true it might be the union's fault. It may be making unjustified and excessive demands. But is it not just as possible that the failure and the breakdown of collective bargaining occurred on the other side?

Arguments are made that the Federal Government should be neutral in strikes. Well, I say that if we are going to have complete neutrality, would it not be appropriate that the Federal Government should be forbidden to enter into contracts with any company involved in a labor dispute and prohibited from making payments not strictly required by law, because that company is engaged in a labor dispute, and barred from claiming tax deductions for strike losses involved in labor disputes?

Earlier, Mr. Chairman, the gentleman from Pennsylvania (Mr. GOODLING) said that the companies do not get any strike benefits. Struck companies always write all strike losses and expenses off their taxes. We should eliminate that if strikers are to be denied food stamps.

So. I urge all members of the committee to oppose the Abbitt amendment. The Abbitt amendment is an unfair, unjustified selecting out of American working families for special discrimination. This bill, the committee substitute, and the committee bill, both require the work requirement to be met by strikers as well as any other person.

Mr. Chairman, there is no justification for the Abbitt substitute. It should be voted down and the adoption of the substitute which has been offered by the gentleman from Minnesota (Mr. QUIE) and this will accomplish the purposes which we are seeking to cover in this legislation.

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

Mr. Chairman, before expressing my sentiments in behalf of the Quie-Foley substitute before us, I would like to congratulate those Members from both sides of the aisle who have given the measure its bipartisan support. Of their number, I want especially to commend Mr. FOLEY, Mr. QUIE, Mr. ANDERSON of Tennessee, Mr. ANDERSON of Illinois, Mr. STEIGER of Wisconsin, Mr. BIESTER, Mr. O'NEILL of Massachusetts, Mr. SMITH of Iowa, Mr. ROBISON, and Mr. FRASER for their joint introduction of the Family Nutrition Act.

These men have been convinced, as I would hope most of us have, that the basic premise of a national welfare system is one of simple humanity—that every person is entitled to survival and to an income adequate for purchasing food, clothing, and shelter for himself and his family. Adequate welfare benefits offer a way of guaranteeing these rights to all Americans. Indeed, the intent of promoting the general welfare was the rationale behind the creation of our Constitution.

Yet, as meager as the allotments are, the welfare system in the United States today is under an escalating attack, for as rising costs and taxes entrap us in an inflationary spiral, we naturally look about us for scapegoats. And I must admit that at first glance the welfare system appears to be an obvious one. We are told that welfare is the major sieve for our tax dollars, when in fact all public assistance programs operate on only 1.9 percent of all Federal taxes—$4.2 billion out of $201 billion. And welfare is just one of many Government subsidies. Last year 415 farm owners received subsidies of over $100,000 each from the Department of Agriculture. These are not small, poor farmers; they include corporations, banks, and large landholders. Standard Oil of California received $127,995. A notable Member of the U.S. Senate collected $146,792. The 10 largest Defense Department contractors collectively secured $10.7 billion in 1969. Lockheed led that list with $2.04 billion, while the company's total sales for that year were only $2.09 billion.

In addition we are told that many of the poor abuse the system by purchasing luxury items with their checks. In reality, the average welfare grant for a family of four is $2,460 a year, $3,000 less than the Federal Government's surveys show a family of four needs in order to live at a minimum standard of health and comfort. Welfare simply does not allow enough money for adequate food, rent, clothing, and other necessities. It certainly does not make any allowances for transportation, reading, and recreation. The welfare family subsists in substandard housing; its children attend inferior schools; they often eat unhealthy unnourishing food—all at the cost of 56 cents per person per day.

The welfare system is surely in desperate need of change—but it must be a change generated by information and understanding, not by ignorance and myths. Before we can hope effectively to devise farsighted, responsive legislation, we must dispel from our minds, or rather our emotions, the damaging stereotypes and misconceptions that have hindered solutions to the ills of poverty, while further adding to the demoralization and even cynicism of the poor. Having confronted some of the mistruths concerning the general impressions of welfare and its recipients, let us undertake an enlightened examination of the issue at hand—a critical and responsible rewriting of the food stamp laws. And let us do so with the valuable understanding that for an overwhelming number of the Nation's poor, welfare is the final resort.

THE NEED FOR A NEW LAW

But if the acceptance of welfare is the last step of the poor toward warding off starvation, this meeting today is far from Congress' first step at devising cures for hunger in America. Was it not only 6 years ago that this body met for the same purpose of dealing meaningfully and lastingly with the lack of adequate levels of nutrition for all of the Nation's people? Out of that meeting, and the hearings and politicking that preceded it, was born the Food Stamp Act of 1964, another "comprehensive" measure intended to satisfy the poor. The bill was signed into law, commemorative pens were distributed, and the Nation's impoverished were told that though they lacked money in the bank, they would have meat on the table.

And now, 6 years following the inception of the food stamp program, we are told by the National Council on Hunger that only 8.8 million out of 25.4 million needy Americans receive the stamps which they urgently require. Of these 8.8 million, many of them living on a limited or negligible income find themselves hampered by the fact that the stamps are not really substitutes for money. They are good only for specific groceries at certain stores and they come in either 50 cents or $2 denominations. In other words, a purchase of $1.75 in food supplies will not return 25 cents in change. The buyer must pay the clerk $1.50 in stamps and a quarter in cash. And let us be mindful of the fact that thousands of American families receive absolutely no income at all.

Clearly there is dramatic evidence calling for a significant revamping of the present system governing food stamps. What is demanded is legislation that would expand coverage to reach all in need. Stamps must be made more accessible, with more offices for issuance and certification, or better still, we should employ a method of self-certification to decrease drastically the redtape and unnecessary expense of the current program. Purchase price and bonus value of the stamps must be low enough and high enough, respectively, to enable the neediest persons to participate. The purchase schedule—now fixed at once or twice a month—should be made available to all who require them, and a vigorous public information program ought to be operated to reach potential participants.

The Family Nutrition Act includes or offers incentives for all of these points except one, that being the inclusion of household supplies as eligible purchases. But if this single oversight is recognized by the Members as being significant, then let us make the addition to the substitute. Our purpose must not be to select the best of two or three food stamp plans now before us, but to devise the finest possible instrument for blotting out the suffering that currently exists among so many millions of our citizens.

For this reason, let us here take note of the McGovern-Javits bill, S. 2547, which passed overwhelmingly in the Senate in September of 1969. I mention this bill because I believe it goes further than the Foley-Quie measure. Containing all of the benefits of the latter document, S. 2547 adds several constructive innovations:

To begin with, S. 2547 requires that families pay no more than 25 percent of their income for food stamps. Households whose income is less than one-half the amount necessary to buy food alone would receive their food stamps free of charge. At present food prices this would mean that any family of four having a total income—including welfare payments, if any—of less than $62.50 per month or $750 per year would receive its food stamps without cost.

Under S. 2547, every food stamp family would be provided stamps sufficient in value to enable them to purchase an adequate diet. S. 2547 would change the present act by requiring that the Secretary use the Department of Agriculture's low-cost food plan in determining the cost of an adequate diet. That food plan now sets diet costs for a family of four at $125 a month. Thus, each family of four would receive $125 worth of food stamps each month under this act.

S. 2547 would also permit households to purchase their stamps in installments and in amounts less than the full allotment. This variable purchase requirement would mean that any household, if it does not have the full purchase price at any particular time, could purchase part of its stamps, and if it does not have the full purchase price during the month it could purchase part of its full allotment. This would prevent families faced by temporary financial crisis from being competely cut out, or even dropped from the food stamp program.

Under the terms of S. 2547 a family on welfare could have the purchase price of its stamps deducted from its monthly welfare check and have its stamps mailed to it with its welfare check.

Very significantly, S. 2547 would permit families to purchase with their stamps those products determined by the Secretary to be necessary "for personal cleanliness, hygiene, and home sanitation." The present act permits only the purchase of food by defining food as a product for human consumption.

Having served in a Congress which has allocated the means for conquering outer space, fighting a continuous war halfway around the world, and placing oil wells in the Arctic and TV transmitters in the sky, I am confident that this body has the capacity for delivering to the American public a bill dynamic enough to equal the McGovern-Javits example. But until we produce such a bill, the Family Nutrition Act remains the most responsive legislation we have before us to offer the Nation's poor.

Although it is by no means a cure-all for the deplorable level of poverty or for the social factors that maintain that level, the Quie-Foley substitute amendment is the best attempt at eliminating "hunger and malnutrition in America itself, for all time—Nixon, May of last year." I believe that this is in fact a good bill; it seeks to:

First, clearly define an adequate national standard of eligibility that would include, for instance, all needy families of four receiving $4,000 a year or less;

Second, allow a total coupon allotment of at least 35 cents per meal per person;

Third, simplify expensive and time-consuming certification procedures;

Fourth, provide free food stamps to needy families with an income of under $30 per month.

I feel that this bill offers a substantial improvement over the committee bill. Indeed, it has been estimated that should the tenets of H.R. 18582 become law, less than one half of those persons now buying stamps would find it possible to continue to do so. And let us remember that these are projected decreases from a program that is already failing to administer to the needs of approximately 60 percent of all who should be benefiting from it.

Among the committee's proposals are a tax on the States requiring them to finance a portion—10 percent—of the bonus value of the coupons, this at a time when the States are looking to the Federal Government for increasing financial assistance. Included as well is a work requirement that represents an additional administrative burden which, even if proven workable, will in many instances create unwanted social effects. The bill's uncertain eligibility standards and cumbersome certification procedures have been mentioned. But if they are not adequate evidence of the failure of this bill, consider the grossly inadequate 29 cents per person per meal value of the coupon allotment and the fact that absolutely no free stamps are to be issued. Consequently, if a recipient happens to have some level of personal income, he must supply 10.5 cents of each coupon, while if he is totally destitute—the very condition most clearly warranting the stamps—he is simply out of luck unless he can manage to beg, borrow, or steal enough to afford the price of welfare stamps.

I am further disturbed by the apparent anti-strike aspect of the committee bill. By the terms of H.R. 18582, it would become considerably harder for a striker to gain eligibility for food stamps than is presently the case. A worker would be ineligble for food stamps if he refused another job at the $1.60 minimum wage. It would seem to me that the very purpose of the food stamp program—"to safeguard health and wellbeing" of Americans who need the program—

would be defeated. There can be no possible moral justification to deny needed food to men, women, and children no matter what the circumstances.

Again, I cannot understand how in the past few days we have passed a number of measures and different kinds of legislation, the latest of which was a $10 million subsidy to perpetuate a riverboat. This was done only yesterday. Yet some of our Members are now coming back here examining whether or not working people and their families should have the benefit of legislation that applies to everybody.

Yet regardless of our ultimate decision as to which piece of legislation most merits passage by this body, our labor would still be in vain if it is not done with one vital acknowledgement: that the food stamp program is merely a stopgap measure designed to alleviate suffering here and now. In the long run, however, our task is not finished until America resolves to mount the comprehensive attack on poverty which so many of us have been urging for so long. The choice we must soon make, in determining a just and meaningful family food stamp plan, seems to me to be whether or not we will remember and heed the lessons that history has told of oligarchies, monarchies, and dictatorships that answered the anguished cries for bread with callous repartee—like the "let them eat cake" implications of the committee bill—and with guns instead of butter, as reflected in our present sense of national priorities.

If we fail today to reach permanent solutions to the paradox of hunger in America without both a historical perspective and a sense of common humanity, we will have recommitted the 18th century error of punishing the poor for their poverty. Twenty million American poor cannot long be denied the sustenance it takes to thrive, develop, and eventually return to the Nation whatever harvest the Nation has sown.

Mrs. SULLIVAN. Mr. Chairman, will the gentleman yield?

Mr. CONYERS. I yield to the gentlewoman from Missouri.

Mrs. SULLIVAN. Mr. Chairman, I have asked the gentleman from Michigan to yield just for a moment for a correction of the RECORD. He referred to a bill that passed the House yesterday, with a $10 million appropriation or subsidy for a river boat. There was not one penny asked for, nor given—not ever—in the bill which we considered yesterday, and sent to conference, extending time for the riverboat *Delta Queen* under the Safety at Sea Act. No funds were included in that bill and I do not think we would ever give any money for that purpose.

Mr. CONYERS. Mr. Chairman, I beg the gentlewoman's pardon because I recall in the debate, and I have not looked at the RECORD, but among the arguments that were presented was one that this was going to—and I think it was one of the Members from Missouri who made the statement—that there was going to be money involved, and it was going to private enterprise to perfect this boat. If that was not the case, I will with pleasure stand corrected.

Mrs. SULLIVAN. There is a bill that has been introduced in Congress, but that was not the bill we considered yesterday. All the *Delta Queen* amendment would do is permit no boat to continue to operate.

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

On further reflection the gentlelady is entirely correct, the subsidy involved is in another piece of legislation concerning the *Delta Queen*. I stand corrected and ask the Members to disregard any previous reference to that legislation.

Mr. BELCHER. Mr. Chairman, I ask unanimous consent that all debate on the Railsback amendment do now close.

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

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. RAILSBACK) to the substitute amendment offered by the gentleman from Virginia (Mr. ABBITT) for the amendment in the nature of a substitute offered by the gentleman from Washington (Mr. FOLEY).

The amendment to the substitute amendment was rejected.

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

Mr. Chairman, I rise in opposition to the Abbitt substitute amendment, and particularly to that part which would deny benefits of the food stamp program to members of a family whose breadwinner happens to be on strike. I would hope that the House would carefully consider what we are being asked to do here.

The food stamp program, first of all, is a program that has been designed to help those families or those individuals whose earning capacity has been severely curtailed for whatever the reason may be. It may be they are on social security, or senior citizens in retirement, there may be any number of reasons why a person needs the supplemental help of these food stamp programs.

But one of the problems that we have with this amendment is that, as has already been said, in a labor dispute you never have unanimity of action. What about the 49 or the 38, or the 40 percent of those workers who voted against the strike? Are we saying to those who vote against the strike, and who had nothing to say about it, that they are not going to get supplemental help, that their kids will not get help with any such program even though they have nothing to do with the strike?

Let me ask another question: What about the people who are locked out? They are not on strike.

Now, when the auto workers announced the strike recently against General Motors, there was some question as to whether or not Chrysler and Ford were going to lock out their workers in order to bring economic pressure. Thank God, that did not happen, but it could have happened, and it has happened on many, many occasions, where a number of companies will lock out their employees to bring economic pressure, workers who have nothing to do with the strike, people who are not involved in any way. They are locked out; denied an opportunity to earn a living even though they are not directly involved in a labor dispute.

Are you saying that under this amendment those people may not benefit from the food stamp program?

So, as was stated earlier when I asked this question during debate on the rule, I said does this include lockouts as well as strikes? The gentleman said "Well, they will have to make local rules."

Well, are you then saying that you want some local official to make a determination whether it is a strike, a lockout, or both a strike and a lockout?

Are you going to have different standards all over the country for determining what constitutes a lockout and what constitutes a strike to determine eligibility for food stamps? You would in effect be saying that when an employer locks out his employees, they can get stamps but if they strike they cannot qualify.

But more important—what do you think your employer groups are going to say if an employer can be accused by some official from the Department of Agriculture, that the employer has locked out his workers; ergo, his workers are entitled to food stamps. What do you think the employer is going to say to that procedure?

So I say to you—you are opening up a real can of worms. You are hurting a lot of people who should not be hurt.

Finally, I ask anyone to give me an iota of evidence—because I do not have any and I would love to see it—which would indicate that there is a relationship between extending or prolonging strikes and the accessibility of food stamps to strikers.

I am on the Labor Committee and I have studied this subject very carefully as a member of that committee, and a conscientious member—and yet I have not an iota of evidence to show that there is any corelation between the length of a strike and the accessibility of members on strike to have access to food stamps.

So I tell you this—there are problems with the food program and I believe this legislation as offered by the substitute bill addresses itself to that problem.

Your quarrel is not with the children of people whose work has been interrupted temporarily because of a work stoppage. Your problem with this food stamp program—if there is a problem—is with all of these hippies and yippies down there in the Southwest who are getting food stamps, down in the communes and whatnot. This legislation clears that up. It addresses itself to that problem. I say to you that you have a good bill here in the Foley-Quie substitute bill, and I hope you will reject the Abbitt substitute.

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

Mr. PUCINSKI. I yield to the gentleman.

Mr. MEEDS. Is it not true that the work requirement of both the Foley substitute and the committee bill would require strikers to seek employment if they want to receive food stamps, with the exception that they would not be re-

quired to seek employment at struck places; is that not true?

Mr. PUCINSKI. That is true. I would ask you this, What do you suppose the employer of a struck plant who wants to get his force back to work as quickly as possible—what do you think he is going to say when he sees the Government taking his people who are on strike and placing them on another job?

Mr. Chairman, we should look at the broader aspects of this bill. Today we are considering measures to provide a more equitable distribution of food stamp assistance for the deserving poor in our Nation. Above all, our purpose is to make this assistance available to all who need help, however eloquent the arguments for fiscal responsibility that basically are intended to deny this assistance to hungry American children and their parents and grandparents.

We are charged with determining a series of criteria and standards that will permit the Federal Government, acting with the States, to reach people who virtually have no representation.

There have been inequities in the food stamp and commodity distribution programs in the past. Today we have an opportunity to correct those inequities and to give the Secretary of Agriculture authority to set more flexible standards that will save not only time, but untold sums of money.

The Foley-Quie Family Nutrition Act, which I am supporting, makes several important modifications to existing legislation. I will not mention all of them, as time is pressing. But several of them are highly significant and, to my mind, eminently worthy of discussion.

The Family Nutrition Act provides for 100 percent certification verification of students who apply for food stamps. It is important to point out that this is intended neither to harass students nor invade their privacy.

Rather, it is an attempt by the Government to uphold the trust and faith of the taxpayers who support this program. Students, after all, are a national investment. The days, months, and years they spend in class and in independent study will ultimately benefit the Nation. Regrettably, however, in too many communities throughout the Nation, certification procedures with regard to students have been either vague or poorly enforced. This substitute measure before us corrects this situation and at the same time insures that deserving students will continue to benefit fully from the food stamp program.

In April of 1969, I remarked on the floor of this Chamber that a crisis in welfare programs throughout the country could no longer be avoided. News reports earlier this week indicate that more than 10 percent of our States face a fiscal crisis of monumental proportion owing to the unbelievable increase in welfare caseloads.

More than 9 million people in the United States receive some form of welfare assistance today. Between 1959 and 1968, the increase in welfare caseloads nationally was a phenomenal 74.9 percent. But the 10 States with the highest welfare benefits increased 148.7 percent. We can attribute these caseloads to lack of proper job training, education, medical attention, day care, and so forth. But we must take action to correct this situation. Eradicating hunger is one of the most important actions we can take to restore health and goals to poor Americans.

I believe the solution to this problem, as I said in my speech in 1969, lies in national eligibility standards. H.R. 18582—the committee bill—provides no language establishing an income floor for determining eligibility.

However, the substitute proposal authorizes the Secretary of Agriculture to set national standards. It also specifically establishes an income floor of $4,000 for a family of four. By permitting the Secretary to determine eligibility on the basis of national standards, we give him urgently needed flexibility to adjust to periodic increases in the cost of living and wage and price fluctuations. This saves time; it assists hungry people who literally cannot await the actions of a lengthy legislative process; and it saves the taxpayers untold dollars.

As for elderly Americans, the substitute proposal expands food stamp coverage to individuals over the age of 60 regardless of whether they are housebound or disabled. It further expands coverage to persons under 60 who are unable to prepare their own meals because of physical or mental handicaps.

Elderly Americans account for more than 25 percent of our population. Too many of them are totally dependent on small annuities or social security benefits to shield them against the caprices of age, climate, and economics.

I have attended numerous committee hearings describing in detail the frightening specter of poverty that haunts older Americans daily—men and women who have worked all their lives for company pensions only to find upon retirement that there are no pension funds available. Reliable estimates state that this situation affects more than 40 percent of the workers in the American labor force.

Older Americans are people who are neither invisible nor silent. But in too many cases their lives of fearful poverty are ignored by the media in order to spotlight more dramatic issues. Older people seldom demonstrate on their own behalf.

One of the proudest responsibilities of the Members of this Congress is to see to it that all Americans are represented here—those who can speak for themselves and those who, in the silent desperation of their need, are eloquent reminders of the true test of civilization.

I endorse the language of the Foley-Quie Family Nutrition Act and I urge my colleagues to lend their support to this measure, as well. I hope the Abbitt substitute will be voted down and urge a vote against it.

Mr. POAGE. Mr. Chairman, I believe everybody has his mind well made up and everybody understands what the issues are. I wonder if we cannot agree on a time limit on the discussion here. Certainly, I would not want to cut any Members off.

Mr. BELCHER. If the gentleman will yield, I am the ranking Member on this side and I have not said a word either during general debate or on this amendment.

Mr. POAGE. Then I will not make any request to limit time.

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

Mr. Chairman, if I really wanted to kill the food stamp bill, I would want every striker in the United States to get food stamps from two different places, which a lot of them did.

Another thing—if I wanted to kill the bill, I would just let it go clear out through the ceiling.

In 1967 we appropriated $115 million.
In 1968 we appropriated $187 million.
In 1969 we appropriated $251 million.
In 1970 we appropriated $610 million.
In 1972 the appropriation will be $1,420,000,000.

Mr. Chairman, the committee bill provides for $2 billion for the food stamp plan.

The gentlewoman, who has sponsored this legislation for a long time, has said that there are going to be some abuses that are going to handicap a fine program. I agree with her. We find people all over the United States in letters to newspapers expressing themselves. They are writing of the 200,000 strikers at the General Motors plant who were getting food stamps. We hear the letters that were read by the gentleman from Michigan. The Foley bill would provide $4.5 billion. The Senate bill provides $7 billion. If we are able to get only a split between the Foley bill and the other bill it would still be $5.5 billion.

If you really want to kill the food stamp program, just jack it up so high that the taxpayers will completely revolt. Keep all of these gadgets in the bill, keep the students, the hippies, the strikers, and everybody else, enabling all of them to get on the food stamp plan, and it will not take very long for those people who want to kill the food stamp plan to get the job done.

The administration is for the committee bill. You have all received a letter to that effect. In that letter the reason why they did not like the Foley-Quie amendment was pointed out.

So if those who really want a food stamp plan do not get too selfish and too greedy, you might keep a food stamp plan for a long time. But if you just keep spending too much money, in 1 or 2 years you are going to get the whole bill killed.

The first thing the gentlewoman said was that this was not for poverty. It was intended as a supplement to nutrition. People who earned money and were spending money for groceries would spend that money and then the Government would supplement that, so that workers receiving a low income would get the proper diet for their families. It was never intended for a complete relief program. We have it at 50 cents a month at the present time we are trying to push the food stamp plan completely into general welfare.

The gentleman from Illinois (Mr. RAILSBACK) said in relation to the "State"

amendment that a certain State would have to spend $4 million. Well, the Government is going to have to spend 40 times $4 million in order to operate this program.

So I say to you, Mr. Chairman, who would really like to have a good, efficient food stamp plan, I think you ought to trim your sights a little bit and keep the program sound.

Mr. QUIE. Mr. Chairman, I rise in support of the amendment in the nature of a substitute, and I move to strike the last word.

The CHAIRMAN. The gentleman from Minnesota is recognized.

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

Mr. QUIE. I yield to the chairman of the committee.

Mr. POAGE. I would again like to try to bring this debate to a close. I know that many Members have engagements that they would like to fill. I do not like to cut anybody off. I would like to find out how many Members wish to speak. I observe 15 Members standing. That would be about an hour and 15 minutes, would it not?

Mr. Chairman, I ask unanimous consent that all debate on the Foley-Quie amendment in the nature of a substitute and all amendments thereto close at 10 minutes after 8. That gives you an hour and a quarter.

The CHAIRMAN. There is a substitute amendment.

Mr. POAGE. I will restate my request. I ask unanimous consent that all debate on the Foley-Quie amendment in the nature of a substitute and all amendments thereto close at 10 minutes after 8 o'clock.

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

Mr. QUIE. I yield to the gentleman from Oklahoma.

Mr. BELCHER. I would suggest that the gentleman ask unanimous consent for about 30 minutes on the Abbitt substitute rather than on the whole bill.

Mr. POAGE. Mr. Chairman, if the gentleman does not want to close the debate, I will not push the request, and the gentleman can debate it until midnight as far as I am concerned.

Mr. Chairman, I withdraw my request.

Mr. QUIE. Mr. Chairman, I ask unanimous consent that I may proceed for an additional 5 minutes.

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

Mr. HALL. Mr. Chairman, reserving the right to object, I shall not object because of the way this gentleman lost his time, but I want to serve notice that because of the late hour and the lateness of the session, I shall object to further extensions of time.

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

There was no objection.

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

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

(Mr. CRANE asked and was given permission to revise and extend his remarks at this point in the RECORD.)

Mr. CRANE. Mr. Chairman, when the Food Stamp Act of 1964 was debated before this body, some Members warned against the loosely worded bill which did not guarantee against a perversion from its original purpose of providing sustenance for those incapable, through no fault of their own, of providing for themselves. Now we have seen the fruition of that warning in the reported widespread use of food stamps by UAW members in their economy-crippling strike against General Motors. The Department of Agriculture reports that the value of stamps made available to the strikers in the 2-month period of October and November was between $12 and $14 million, with the total cost possibly running even higher. Big labor is now calling for a plan designed to loosen even further the method of distributing food stamps. With strike activity having climbed to a 10-year high, now is no time for the Federal Government through its offices to bolster any further loss of man-hours.

Recently we have witnessed nearly constant labor-management turmoil, beginning with the General Electric strike more than a year ago. At that time, in the fall of 1969, a Gallup poll showed more than two-thirds of the people—including a majority of labor union families—favoring some method of prohibiting strikes lasting more than 2 weeks.

The recent use of food stamps by those voluntarily unemployed provides a picture of a grotesque twisting of the humanitarian concept envisioned in the 1964 law. More important, however, is the total abandonment of the traditional role of Government in providing equal protection. Such a development is inevitable when strikers enjoy what are, in effect, Government strike subsidies. For in permitting striking workers to pay, say, $26 a month for $180 worth of groceries, the difference between the figures being charged to the taxpayer—including the corporate taxpayer—the Government provides an inducement against collective bargaining and to the detriment of industry.

With the auto strike alone costing more than 7 million lost man-days of production, and the threat of further strike activity looming ahead in 1971, it is incumbent upon Congress to insure that the actions of this body do not promote further economic losses. With many UAW strikers reporting that the food stamp program provided them with major support, it is time to consider seriously ways of insuring that occurrences of this nature are not repeated. In early November, at a time when the GM strike was a month and a half old, and still several weeks away from settlement, one striker reported that he could hold out till February. We must see that the Government does not encourage the sort of situation in which one housewife reported that though she was embarrassed the first time she used food stamps that she now was "used to it."

Without arguing the merits of the strikers' demands, it is readily noticeable that what has occurred is surely not the intention of the law. Funds allotted the food stamp program which then go to the highest paid workers in the world must also, necessarily, work to the detriment of those "low-income households" for which the 1964 Food Stamp Act provided.

Mr. QUIE. Mr. Chairman, in the 5 minutes I would just like to say a little bit about the Foley-Quie substitute, and the substitute to it offered by the gentleman from Virginia (Mr. ABBITT).

The way it is now, the Abbitt substitute to our substitute has only three diferences, but only two that count. One was the deferral of the State buy-in which would require the State to assume a part of the cost of the food stamp program.

The second was the striker amendment.

The food stamp debate this year is similar to what I believe we had 4 years ago, when most of the debate turned on the striker amendment. I have gotten the pressures from home, as most of my colleagues have. The pressure from home does not stem only from the managers of business, but also from the rank and file of people who are upset, because strikers have gotten food stamps. Now if the strikers in your mind and my mind were just the union leaders who were out on strike, and who urged their employees to vote for a strike, I think then we would all feel they should be prevented from getting food stamps. So often the assumption is made that a strike stems from unreasonable inflationary demands greater than productivity increases and increased cost of living. But under the amendment which is in the Abbitt substitute, anybody who is on strike, no matter how long that strike would run, would be prevented from getting food stamps. However, if there were a strike operating at the time this bill was enacted, all those strikers could continue to get food stamps. We all remember when there have been times when strikes ran on for more than a year and some of the employees and their families suffered very much during the lengthy strike. We must remember it is not always the strikers' fault when an agreement is not reached. Also, there is many a person out on strike who did not even vote for the strike. He voted against the strike and did not want to go on strike, but he is stuck with being out on strike. He undoubtedly suffers as badly as a person who is out of work for another reason and is just as innocent of the work stoppage.

However, the Foley-Quie substitute provides a work requirement. Whether the person is on strike or not, he has to go to work. He has first to register, and as soon as employment is found for him, he has to go to work. Otherwise there is a penalty against him. Those of us who put together our substitute felt the restrictions were developed by the Agriculture Committee.

We followed pretty closely the fraud provisions and other restrictions to penalize individuals who would abuse the food stamp program. The Committee on Agriculture has had ample opportunity to study any abuses to the food stamp program, has conducted a field investigation, and one would assume that no further punitive measures would be needed. We tried to improve on these measures in the substitute, not add additional ones.

We did not offer an amendment as a part of our substitute to absolutely prohibit strikers from receiving food stamps. There may be some circumstances when even strikers might be suffering, and I do not believe that anyone in this country would want another individual to go in hunger for any reason. Nor do I believe the Federal Government ought to subsidize a strike, but certainly greater thought ought to be given to an amendment to eliminate abuses that exist, and that had better be done with some time and thought in committee rather than here on the floor tonight.

The Committee on Agriculture does not have a reputation of being an ultra-liberal committee, or anything of that nature, as some other committees might have. We felt the Committee on Agriculture would have advocated a no-strike amendment if the committee felt it to be wise. The Abbitt amendment was never reported from the Committee on Agriculture.

I would also like to make a comment or two about the State buy-in. I had even offered such an amendment when I was on the Committee on Agriculture. However, at that time there was no move to change the State share in welfare programs. Now the Nixon administration has moved to shift a national standard welfare program to the Federal Government. I have supported the family assistance program and the Nixon move in this regard, so it seems inconsistent to require hard-pressed States now to assume a share which they never bore before. For that reason for the first time I am opposing the state buy-in.

I believe that our substitute is superior in other ways. I hope to mention a few of those.

One is that it is an inducement to have food stamps at about $126 to $128 per month for a family of four level, rather than the $106 to $108 level of the administration. It seemed wise to move from the economy food plan to the low-cost food plan if possible.

The substitute offered by Mr. FOLEY provides that if there is insufficient money it would be better if the Secretary of Agriculture estimated that before the fiscal year began and then based the level of the stamps on his estimate. That is why we provided in the substitute if there is not sufficient money, as is expected now with the $1,420,000,000 for fiscal year 1971, the Secretary would stay at the level where he is now $106 per month. That is provided in the substitute which we offer. The substitute would not require the administration to go above where they are now till adequate money was authorized.

We set an authorization maximum in 1972 and 1973, so the Secretary can base his estimate on that authorization level. However, he would need to appear before the Committee on Appropriations and advocate appropriations up to the authorization level. If there were an insufficiency of funds, as the administration suggests, then it would be up to the Congress to increase the authorization. They could not expend more than authorized. That is the figure we have in our proposal, $2 billion for 1971, which we have already decided on, and $2.5 billion for 1972 and 1973.

In answer to criticisms of our substitute bill made by the committee and the Department of Agriculture, Congressman FOLEY and I respond to them in the following manner.

The first criticism is:

"The substitute would cost more money than it authorizes." The administration has previously admitted in court that its food stamp cost estimates are unreliable because the costs are impossible to predict. They have no basis in fact for any of their projections. In estimating the cost of the substitute they assume full participation of 19.5 million persons. This level of participation in the next fiscal year is extremely unlikely. In predicting the cost of the Committee bill, the administration bases its estimates on participation levels of 13.3 million persons which is only 800,000 more individuals than now receive Federal food assistance and less than 60% of the Nation's needy. The substitute provides for reducing the stamp allotment value down to the level recommended by the administration to meet the authorization ceiling and the Congress would have to approve any increase in that ceiling.

The second criticism is:

"The substitute would allow recipients to obtain stamps without an effective work requirement."

The substitute's work test clearly governs all able-bodied adults who have no school age children or invalids to take care of. The substitute requires persons over 15 to register, unless they are students, while the Committee bill requires registration only at age 19. The Committee bill removes the entire family from the program if one person fails to meet the work test. Persons registered for work under the substitute would have to take jobs offered in accordance with their skills and experience or else lose their bonus stamps. The substitute is more compatible with the Family Assistance Plan work requirement than the Committee bill's work test.

The third criticism is:

"The substitute would force commodity distribution counties to switch to food stamps within 180 days."

The substitute mandates a nationwide food stamp program 300 days after enactment. Counties now distributing commodities could continue to do so during the transition to stamps with the Federal Government absorbing all their distribution costs, and indefinitely thereafter if the counties assume distribution costs. The President on May 6, 1969, told the Congress that "our long-range goal should be to replace direct food distribution with the revised Food Stamp Program." The substitute merely implements this goal.

The fourth criticism is:

"The substitute would determine eligibility on the basis of undefined 'disposable income' ".

Eligibility is already determined in each of the 46 participating states and the District of Columbia on the basis of "disposable income" or "net income," which terms refer to gross income from all sources less mandatory payroll deductions (social security, income tax, insurance, etc.) and special hardship deductions (work expenses, medical bills, excessive rent costs). The substitute merely reaffirms present practice.

The fifth criticism is:

"The substitute would authorize persons with incomes up to $5,120 to receive food stamps."

The substitute specifically sets an eligibility floor for the nation at no less than $4,000 for a family of four. The Secretary and individual states could go higher if they so chose, but they are not compelled to. Nowhere is $5,120 mentioned in the substitute. No matter at what point eligibility cuts off, persons who earn more will lose their stamp entitlements. Both the work test and the normal desire for cash rather than stamps will operate practically to eradicate this theoretical disincentive.

The sixth criticism is:

"The substitute would require the Secretary to absorb more local administrative costs."

The Secretary could be required to absorb more administrative costs only if the county and the Governor failed to institute a food stamp program in an area after an elapsed time of 300 days. More costs would be absorbed for programs that performed well in reaching the poor. Certain administrative costs would actually be reduced under the substitute measure. Certification costs would be lowered by the self-declaration procedure; issuance costs would be reduced by instituting the check-off for recipients of payments under the Social Security Act.

I also submit a comparison between the present program, the committee bill, the substitute and the Senate-passed bill.

Item	Present program (Public Law 88-520)	House Agriculture Committee (H.R. 18582)	Family Nutrition Act of 1970 (H.R. 19889)	Senate (S. 2547)
1. Term of program and level of funding.	Authorization: Fiscal 1971 (through Dec. 31, 1970 only)—$170,000,000. Sec. 16(a).	Fiscal 1971–73—such sums as Congress may appropriate. Sec. 10.	Authorizations: Fiscal 1971—$2,000,000,000. Fiscal 1972—$2,500,000,000. Fiscal 1973—$3,000,000,000. Sec. 10.	Fiscal 1971—$2,000,000,000. Fiscal 1972—$2,500,000,000.
2. Carryover of unexpended funds	None. Unspent funds automatically revert to the Treasury.	Unspent funds continue to remain available until expended. Sec. 10.	Same as in House Agriculture Committee bill. Sec. 10.	Same as in House Agriculture Committee bill. Sec. 19.
3. Territorial coverage	50 States only and the District of Columbia. Sec. 3(j)	50 States, District of Columbia, Puerto Rico, Virgin Islands, Guam. Secretary to establish special standards of eligibility and allotment schedules for Puerto Rico, Guam, and the Virgin Islands which reflect average per capita income and cost of obtaining a nutritionally adequate diet. Maximum standards and allotment schedules set at those of the 50 States and District of Columbia—no minimums specified. Sec. 2(b) and 4(b).	50 States, District of Columbia, and, after July 1, 1971, Puerto Rico, the Virgin Islands, Guam, and, if the Secretary after consultation with the Secretary of Interior determines, America Samoa. Secretary may establish coupon allotments and proportionate charges that reflect the cost of obtaining a nutritionally adequate diet. Sets minimum level at 80 percent of allotment value and charges for the 50 States and the District of Columbia. Sec. 3(j).	50 States, District of Columbia, Puerto Rico, Virgin Islands, Guam, Pacific Trust Territory.

Item	Present program (Public Law 88-520)	House Agriculture Committee (H.R. 18582)	Family Nutrition Act of 1970 (H.R. 19889)	Senate (S. 2547)
4. Individual coverage	Group of related or nonrelated individuals living as 1 economic unit sharing cooking facilities and for whom food is customarily purchased in common. Not residents of institutions or boarding houses. Also individuals with cooking facilities. Sec. 3(e).	Present program extends coverage to persons 60 years or over who are housebound, physically handicapped, or otherwise disabled to the extent that they are unable adequately to prepare all of their meals. Sec. 2(c) and 6(b).	Present program plus (1) all persons 60 years or over regardless of availability of facilities or whether they can or do prepare their own meals, or are handicapped and (2) those under 60 who are unable adequately to prepare their meals because they are physically or mentally handicapped. Specific exclusion of communes. Sec. 3(e).	Present program plus persons 65 years or over who do not have food preparation facilities or reasonable access to such facilities in their living quarters or who are housebound, physically handicapped, feeble, or otherwise disabled to the extent that they cannot prepare nutritious meals for themself.
5. Product coverage	Any food or food product except alcoholic beverages, tobacco, imported package foods and imported meats or meat products. Sec. 3(b).	Present program plus meals which are prepared by political subdivisions or private nonprofit institutions, which do not receive federally donated foods, and which are delivered to the homes of person over 60 years who are housebound, handicapped, or disabled so as to be unable to adequately prepare all their meals. Sec. 6(b).	Any food or food product regularly available in domestic supply except alcoholic beverages and tobacco; also meals prepared by public agencies or private nonprofit organizations for consumption at any location other than an institution or boarding house by handicapped or persons 60 years or over. Sec. 3 (b) and (f).	Present program plus items necessary for personal cleanliness, hygiene, and home sanitation as well as meals served by private nonprofit institutions or schools to the elderly either in a common dining room (to those without facilities) or at home (for the disabled).
6. Household income eligibility	States set standard of maximum income consistent with income standards used by State in its federally aided public assistance programs. Present range extends from $2,160 for a family of 4 in South Carolina to $4,320 in New Jersey.	Secretary of Agriculture (in consultation with HEW Secretary) to establish uniform national standards of eligibility, with a planned maximum income slightly over $4,000 for a family of 4. Sec. 4(b).	Secretary of Agriculture (in consultation with HEW Secretary) to establish uniform national standards annually at no less than $4,000 per year for a family of 4 or the equivalent. Sec. 5(b)	Secretary of Agriculture to set minimum income level for purcahsing a nutritionally adequate diet at no less than $4,000 for a household of 4.
7. Other eligibility qualifications	Requires that States shall place a limitation on the resources to be allowed eligible households. Sec. 5(b).	Standards set by the Secretary, at a minimum, shall prescribe the amounts of household income and other financial resources, including both liquid and nonliquid assets to be used as criteria of eligibility. Also excludes, for a 2-year period, any household which includes a member over 18 who is claimed as an income tax dependent by another taxpayer not in the household. Sec. 4(b).	National resource standards exclude home, household goods, personal effects, or other property essential to household's means of self-support. Sec. 5(b).	None, national resource tests.
8. Work test	No statutory requirement but many States impose one.	Excludes from eligibility and denies stamps to any household with any ablebodied adult between 18 and 65 (except mother of dependent children under 18 or bonafide students or persons caring for incapacitated adults or dependent children) who fails to register for employment or refuses to accept employment or public work at the higher of State, Federal, or regulatory wage or no wage floor at all, if none applicable.	Reduces household's coupon bonus according to share attributable to individuals in household (other than mothers of children under 16, bonafide students, the ill and incapacitated, persons caring for incapacitated adults, children under 16, or persons employed 35 hours or more per week or earning at least $56 per week) who either fail to register or accept suitable employment at no lower than the Federal minimum wage, Sec. 5(c)-(g)	None, but States could continue to impose.
9. Certification procedure	In accordance with the general procedures and personnel standards used for certification for federally aided public assistance programs. Sec. 10 (e)(2).	Same as under present program. Sec. 6(a) (2).	Solely on basis of simplified statement conforming to standards prescribed by Secretary coupled with subsequent verification through sampling and other scientific techniques, except 100 percent verification for college students. Sec. 7 (b)(1).	Solely by execution of affidavit prescribed by Secretary of Agriculture plus 60-day validity of certification for those who move to another jurisdiction.
10. Coupon issuance location and frequency.	State agency responsible for making issuance arrangements; may delegate to other agencies of local governmental units. Regulation requires at least semi-monthly issuance. Sec. 10(b).	Same as under present program	Purchase through post offices, banks, credit unions, community action agencies, other public or private nonprofit organizations subject to such regulations as the Secretary may prescribe. Coupons to be issued on a weekly schedule. Sec. 7(b)(2).	Purchase through post offices, participating retail food stores, banks, credit unions, other convenient places—at least weekly issuance.
11. Maximum purchase price of coupons.	Equivalent to household's normal expenditure for food (in practice up to 33⅓ percent of net income). Sec. 7(b).	Reasonable investment test—not to exceed 30 percent of income. Sec. 5(b)(2).	Not to exceed 30 percent of income, except maximum of 25 percent of income for those households with annual income equal to or less than the equivalent of $167 per month for a family of 4. Sec. 6(b).	Reasonable investment—not to exceed 25 percent of income.
12. Free stamps	Only in experiment in 2 counties in South Carolina. No statutory provision permits.	Prohibited—minimum charge of 50 cents per person per month (household of 5 or less) or $3 per household (6 or more) with State, local, and charitable sources to help insure participation at minimum level. Sec. 5(b)(1).	Only for households of 4 with incomes equal to or less than $30 per month for a family of 4, or, in 1972 and 1973, such higher sum as the Secretary shall prescribe. Sec. 6(b).	To households with income less than ½ low-cost food plan ($67 a month for a family of 4).
13. Partial purchase and simplified purchase for Federal assistance recipients.	No special provisions (coupon issuance schedules permit, but do not require, weekly purchase of portion of allotment at fractional price)—No simplified purchase.	Secretary to provide reasonable opportunity to purchase less than full allotment. States may permit households receiving federally aided public assistance to authorize withholding of purchase price from assistance payments upon joint approval of Secretaries on USDA and HEW. Sec 5(b) and 6(a).	Secretary to establish schedules for variable purchase with regular participation not required. Authority to withhold payments for coupons from payments made to household under the Social Security Act if household requests such withholding. Sec. 7 (b)(2).	States may permit households receiving federally aided public assistance to authorize withholding of purchase price from assistance payments (Secretary of Agriculture has indicated willingness to accept House Committee provisions on partial purchase, and the Family Assistance Plan also contains a voluntary deduction system for buying food stamps plus right of household to purchase any portion of allotment at issuance times.
14. Total coupon allotment	Such amount as will provide household with an opportunity more nearly to obtain a low-cost nutritionally adequate diet. (Defined by regulations as economy food plan—$106 a month for a family of 4). Sec. 7(a)	Amount which Secretary determines is necessary to obtain a nutritionally adequate diet. (USDA has indicated that that this would be the economy food plan). Sec. 5 (a)	Equivalent of 35 cents per person per meal in 1971 adjusted thereafter to reflect the cumulative change in the consumer price index for food; provided that if the Secretary determines that the appropriation for fiscal year 1971 or authorization levels for fiscal years 1972 and 1973 are insufficient for the entire fiscal year, he may reduce the value of the coupon allotment not less than the economy food plan or 30 cents per person per meal whichever is higher. The Secretary shall review such decision quarterly and advise Congress 30 days prior to instituting a reduction in the value of coupon allotment. Sec. 6 (a)	Cost of a nutritionally adequate diet, but not less than low-cost food plan—($134.60 a month on Sept. 1970).

Item	Present program (Public Law 88-520)	House Agriculture Committee (H.R. 18592)	Family Nutrition Act of 1970 (H.R. 19889)	Senate (S. 2547)
15. Administrative responsibility	State welfare agency is responsible for intrastate administration and must request program for each subdivision. sec. 10 (b) and (e).	Same as under present program	Secretary shall operate directly through any appropriate Federal, State, county, public or private nonprofit agency if (1) Governor or State fails to administer program in area without an operating program 210 days after enactment, or (2) State or other operating agency fails to comply with law after reasonable period. Secretary may so operate if Governor of State fails to administer program in area in which, 180 days after program has begun to operate, less than one-third of poor in the area participate over a 3-month period. Sec. 7(g) (1) and (2).	Secretary may operate program directly or assign to private nonprofit organizations if (1) State fails to comply with law after reasonable period or (2) Secretary of Agriculture determines that there is a need for the program and there is no State request, despite offer of Federal payment of administrative costs, or (3) no program is in operation in area after Jan. 1, 1971 or (4) Secretary determines that participation rate of poor is inadequate to effectuate act's purposes.
16. Program cost-sharing	Secretary to finance cost of bonus coupons and 62.5 percent of travel and salaries of State personnel engaged in certifying nonpublic assistance households. State and local governments pay for 100 percent of issuance costs. Sec. 15(b).	States required to finance a maximum of 10 percent of bonus costs by fiscal year 1974, starting at 2½ percent in fiscal year 1971 and climbing to 2½ percent every fiscal year thereafter. Secretary to pay same administrative costs as under present law plus 62.5 percent of travel and salaries of State hearing officials and outreach personnel. Sec. 15 (b) and (c).	Same as present program plus Secretary to pay 62.5 percent of salary and travel of State and local hearing officials and outreach and nutrition education workers. Secretary to pay 50 percent of issuance cost if program serves 50 percent or more of poor in area. Secretary would pay 100 percent of all costs of public agencies or private nonprofit organizations operating the program or engaged in outreach or nutrition education of program participation. Sec. 9(b).	Secretary permitted to pay State agencies 100 percent of issuance costs as well as 62.5 percent of certain certification costs. Secretary would pay 100 percent of all costs of private nonprofit agencies operating the program.
17. Concurrent food stamp program and commodity distribution.	Not unless emergency situation caused by a national or other disaster as determined by Secretary: interpreted to exclude long-term non-natural disaster, but not short-term economic disaster. Sec. 4(b).	Authorized n the case of: (1) temporary emergency situations; (2) during transitions from commodity distribution to food stamp programs; and (3) on request of the State agency if State agency pays for distribution costs, subject only to prohibition that individual participating shall not benefit from both programs simultaneously. Sec. 4(b).	Authorized in the case of: (1) temporary emergency situations; (2) during transition from commodity distribution to food stamp program until the number of food stamp participants in county exceeds the average number of commodity participants in the 3 most recent prefood stamp months; and (3) at request of State agency if State agrees to pay distribution costs and at request of any public agency or private nonprofit organization that agrees to pay distribution costs. No simultaneous participation. Sec. 4(b).	Permitted during temporary emergency; in any county during the transition period from commodity distribution to stamps until food stamp participants exceeds average of commodity participants in 3 most recent prestamp months; and at request of State agency, if State agrees to pay distribution costs.
18. Penalties for misuse of program	Criminal offense knowingly to use, transfer, acquire, or possess coupons in unauthorized manner (over $100 felony) Sec. 14(b) and (c)	Same as under present program plus extends provision to include illegal possession or use of "authorization to purchase" cards. Sec. 14(b)	Same as under House Agriculture Committee bill plus criminal offense for knowingly making a false declaration. Contains administrative provisions to control fraud resulting in participation by ineligible households or receipt of excessive coupon allotments. Sec. 8(b) and 9(h)	Same as under present program but no prosecution on basis of any information contained in affidavit except for fraud

Note.—The Family Nutrition Act of 1970, unlike the House Agriculture Committee bill, would make changes in the commodity distribution program to provide uniform national income and resource eligibility tests, certification by declaration, guaranteed access to foods of sufficient caloric quantity (with other foods necessary to provide a nutritionally adequate diet available in so far as possible), and fortified foods in areas with known nutritional deficiencies. Sec. 4(c). The Family Nutrition Act would also authorize the Secretary to conduct, or to contract for the services of public agencies or private nonprofit organizations for the purpose of research, demonstration, or evaluation projects designed to test or assist in the development of new approaches or methods to achieve the purpose of the act, including fortification of staple foods. Sec. 10(a).

Mr. ABBITT. Mr. Chairman, I ask unanimous consent that all debate on the Abbitt substitute amendment and all amendments thereto close at 7:30 p.m.

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

Mr. GONZALEZ. Mr. Chairman, reserving the right to object, what was the time cutoff?

The CHAIRMAN. It will be 7:30 p.m.

Is there objection to the request of the gentleman from Virginia?

There was no objection.

The CHAIRMAN. Members standing at the time of limitation of debate will be recognized for approximately 1½ minutes each.

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

AMENDMENT OFFERED BY MR. WHITE TO THE SUBSTITUTE AMENDMENT OFFERED BY MR. ABBITT FOR THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. FOLEY

Mr. WHITE. Mr. Chairman, I offer an amendment to the Abbitt substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITE to the substitute amendment offered by Mr. ABBITT for the amendment in the nature of a substitute offered by Mr. FOLEY: Page 3, line 12: Subsection (e) of section 3 of the Food Stamp Act of 1964, as amended, is amended to read as follows:

"(e) The term 'household' shall mean a group of related or nonrelated individuals, who are bona fide residents of one of the political subdivisions described in section 3 (j) and who are not residents of an institution or boarding house, but are living as one economic unit sharing common cooking facilities and for whom food is customarily purchased in common. The term 'household' shall also mean a single individual living alone who has cooking facilities and who purchases and prepares food for home consumption."

Mr. WHITE (during the reading). Mr. Chairman, I ask unanimous consent to dispense with further reading of the amendment.

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

There was no objection.

Mr. WHITE. Mr. Chairman, the purpose of this amendment is to clarify a point. This amendment says that a person has to be a bona fide resident of the political subdivision before he is entitled to food stamps.

We have had a problem along the border with those who have lived in Mexico and came over to the United States and are not bona fide residents.

Mr. ABBITT. Will the gentleman yield?

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

Mr. ABBITT. I may say for myself I have no objection whatever to the amendment offered by the gentleman.

Mr. WHITE. Thank you very much. It was cleared on both sides. It does not intend to cut out migratory workers at all but only those who are not bona fide residents. A migratory worker can be a bona fide resident where he is.

Mr. BELCHER. Mr. Chairman, I see no objection to the amendment, and we will accept it.

Mr. POAGE. Mr. Chairman, we have no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. WHITE) to the substitute amendment offered by the gentleman from Virginia (Mr. ABBITT) for the amendment in the nature of a substitute offered by the gentleman from Washington (Mr. FOLEY).

The amendment to the substitute amendment was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Chairman, I rise in support of the substitute bill introduced by the distinguished gentlemen from Washington and Minnesota which I am proud to have cosponsored.

It is indeed a tragic commentary on the Nation's priorities that we are con-

sidering such vital legislation in the waning days of this Congress. It was nearly a year and a half ago that Agriculture Secretary Hardin himself said it was "crucial" to adopt such legislation immediately. More than a year ago, after the other body had passed its version of the bill by a vote of 78 to 14, the President praised that prompt action, and urged this Chamber to follow suit. Yet, it was not until August of this year that this bill was reported out, and its appearance here on the floor another 4 months later tells us a good deal about the importance its sponsors attach to it.

How can I even suggest such a lack of concern for the poor? The committee report assures us that all this time was well spent in extensive deliberations designed to improve the nutritional needs of deserving poor and at the same time to exclude the undeserving.

Well, let us take a look at some of the features of the committee bill. I submit that first they make a very feeble effort to expand this program—an effort that is greatly undercut by other regressive provisions—and second, they take a shotgun approach to exclude the undeserving that will, in fact, cruelly deprive many others who desperately need this assistance.

The committee tells us that this bill will permit food stamp allotments "sufficient to purchase an adequate diet." The fact is that the bill does not require this, and, although Secretary Hardin has indicated he will issue stamps to reach the nutritional level of what is called the "economy food plan," his own Department has admitted that "the cost of this plan is not a reasonable measure of basic money needs for a good diet."

In contrast, this substitute will provide for minimum nutritional needs.

The committee bill directs the Secretary to establish uniform national eligibility standards, but provides no specific and adequate income level below which States cannot go in determining eligibility. Our substitute bill does this.

The committee tells us its bill will help the elderly by enabling them to buy meals as well as food. The fact is their bill requires all such meals to be delivered to the home. In contrast, the substitute bill will cover meals served in community dining halls. It makes no sense to deny to many of our senior citizens, who can get around, the opportunity to have meals with their friends simply because they have no cooking facilities.

But, Mr. Chairman, the committee bill does not merely fail to live up its own claims of expanding the food stamp program. It also takes some major steps backward. The bill would prevent the issuance of any free stamps even to those with no income. The administration has made clear that such a provision is unacceptable. To require the payment of at least 50 cents per person for stamps would not merely create a ridiculous administrative nightmare; it would be an unconscionable, heartless action, unworthy of this great body.

The committee bill will also force the States to pay 10 percent of the cost of the stamps—a step this House already rejected in 1967. It is a mockery to claim we are going to expand this program by creating further obstacles to its acceptance by the States.

As the distinguished gentlemen from Washington (Mr. FOLEY) and New York (Mr. LOWENSTEIN) noted in their dissent to this report, such provisions as these will drive away more than half of those now in the program. As it is, food stamps now reach only about one-fourth of those in need.

In some ways the most surprising deficiency in the committee bill is its total failure to deal effectively with those who do not deserve food stamps benefits. It attempts to do this by denying stamps to many students and by imposing a work provision. Both of these, however, will hurt many innocent and deserving members of such households. And the bill does practically nothing to deal with the serious problem of fraud.

The committee claims that its so-called work provision—and I quote—"Is the result of long and arduous debate and deliberation," designed to exclude " 'freeloaders' while insuring all aid possible to those who, through no fault of their own, need food stamp assistance." Let us take a look at that result.

Under the committee bill an entire household will be denied stamps if one able-bodied adult fails to register for or take almost any job. This can happen too even if the father and mother are working, if, for example, one son fails to work.

I submit, Mr. Chairman, that a 10-year-old child could have come up with a better way to achieve the committee's goal. The administration has also rejected it.

In contrast, our substitute will also require able-bodied adults to take suitable work under the penalty of losing stamps for himself alone.

As I mentioned, the committee bill does virtually nothing about the very serious problem of fraud. There can be no doubt, Mr. Chairman, that we must take all possible firm measures to prevent fraud. The American taxpayer is entitled to nothing less.

Under present law, not changed by the committee bill, the only means for dealing with fraud is through criminal prosecution—a method that has not worked in the past. Our substitute, however, goes beyond this, and provides an expeditious administrative procedure which will deny food stamps or reduce the amount to anyone who willfully misrepresents the facts.

In short, Mr. Chairman, this substitute is far more effective and realistic in dealing with the fraudulent and the malingerer without visiting the sins of these chiselers on their families. Moreover, our bill will move decisively toward the goal which the President so eloquently stated 18 months ago—"to put an end to hunger in America for all times."

Let me say one final word about costs. There can be no question that this effort will be expensive. But, when we consider the gigantic sums we have voted for farm subsidies, for military assistance and defense spending, there can be little question that we cannot in conscious deny adequate funds to this humanitarian effort.

It has been said that the other body's version of this bill is far too expensive and that the only way to reach realistic cost levels is for the House to pass this inadequate bill and let our conferees reach the right result.

I reject such an argument, Mr. Chairman, I submit it is the duty of this House to pass the best possible bill. And beyond that, I, for one, am not prepared to leave the fate of millions of hungry Americans to the tender mercies of those who have presented us with this wretched bill. This substitute must be adopted.

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

Mr. REID of New York. Mr. Chairman, I rise in strong support of the substitute bill being offered by the gentleman from Washington (Mr. FOLEY) and the gentleman from Minnesota (Mr. QUIE) and in opposition to the Abbitt amendment.

According to recent estimates by the National Council on Hunger, only 8.8 million of the 25.4 million impoverished Americans now receive food stamps. In my judgment, it is unconscionable for the Agriculture Committee to have prohibited the issuance of free food stamps, even for the destitute, and included an unenforceable and unjust work provision in the bill at a time when the food stamp program reaches only one-third of the eligible participants.

The Foley-Quie substitute would expand and improve the food stamp program so that it would reach all Americans who need it, by extending eligibility to every person from a household of four—or the equivalent—with an income of $4,000 or less; making free food stamps available to the completely destitute; enabling the elderly to buy meals from nonprofit groups, and thus free them from the burden of food preparation; allowing food stamp and commodity distribution programs to operate concurrently in a given area; and authorizing the Secretary of Agriculture to establish food stamp programs in any State that fails to initiate its own program within 300 days after the bill is passed.

The substitute measure would authorize expenditures of $2 billion in fiscal year 1971; $2.5 billion in fiscal year 1972; and $3 billion for fiscal year 1973. This represents a large increase over the $610 million authorization for fiscal year 1970, but we must be willing to pay the price if we are to eradicate hunger from this Nation of plenty. Certainly it will be worth this price to eliminate the present cost to society of hunger, malnutrition, and the illnesses associated with hunger.

Administration of the food stamp program would be improved in a number of important respects. For example, the substitute would replace the present time-consuming certification procedure with certification by declaration, with verification of certification done through sampling techniques. Weekly distribution of food stamps would be authorized, to

better comply with the cash flow of low-income families. While the substitute does contain a work provision, it would reduce a household's coupon bonus only in proportion to the share of the individual in the household who fails to register or accept suitable employment—instead of excluding the entire household from the food stamp program if any one adult fails to register or accept work, as provided in the committee bill. Clearly, this is a more equitable approach.

Perhaps most important in assuring the availability of the food stamp program to all those who need it, the substitute would eliminate the committee requirement that the States pay, by 1974, up to 10 percent of the bonus costs of the stamps, plus some additional administrative costs now borne by the Federal Government. Such a requirement would impose an impossible burden on States which are already finding it difficult to keep up with rising welfare and education costs, and might force some of them to drop out of the program.

I strongly support the adoption of the Foley-Quie substitute, which should lead to a more effective and far-reaching food stamp program.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan (Mr. O'HARA).

Mr. O'HARA. Mr. Chairman, I rise in opposition to the substitute offered by the distinguished gentleman from Virginia and I want to state my particular concern over the concept that we are told underlies section 4(d) of the substitute—the provision which would bar food stamps to anyone who is involved in a labor dispute.

In an earlier statement to Members of this body, explaining the rationale behind such an amendment, one of our able colleagues said:

> It is a doctrine basic to our American system that the Federal Government should not play favorites. Under this program where food stamps are being handed out to strikers, the Federal Government is abandoning the theme of equal treatment and is being partial to the strikers over the employers.

We are asked, Mr. Chairman, to come to the rescue of the poor employers, who are crippled in their pathetic efforts to match the massive economic power of the men who work for them. The sponsors of this "neutrality" amendment seek to conjure up in our minds the spectacle of striking employees driving to the picketline in their Cadillacs, while their poor employer is barely able to make ends meet by moonlighting—perhaps as a poverty consultant to the Nixon administration.

We are asked to weep over the thought of corporate officials of General Motors or the railroads forced to leave their humble homes in Grosse Pointe and Westchester County, and to take refuge in a poorly heated shack near Key Biscayne, or a tumbledown old castle in the south of France, while strikers remain close to home, reveling in the warmth of a bonfire outside a plant gate.

The distinguished gentleman from Virginia and his associates ask us to protect, by a fine impartiality, the poor corporate president, who is reduced by a labor dispute to living on his salary, and his stock options, and his dividends, and his expense account, and his other outside income, while the striker is growing fat on food stamps.

Mr. Chairman, the arguments for neutrality in these circumstances are a splendid reaffirmation of the concept so well stated some years ago by Anatole France, who said, of a similar argument:

> The law, in its majestic equality, forbids the rich as well as the poor to sleep under bridges, to beg in the streets and to steal bread.

(By unanimous consent, Mr. O'HARA yielded his remaining time to Mr. MEEDS.)

Mr. MEEDS. Mr. Chairman, I rise in opposition to the substitute offered by the gentleman from Virginia (Mr. ABBITT) and in support of the Foley-Quie substitute.

Directing my attention specifically to the striker amendment, it seems to me that we have historically taken a position in this House that we ought not to interject the Federal Government into strikes.

I submit to you that under the conditions of this bill, under the conditions of the committee bill or the Foley-Quie substitute, that the substitute offered by the gentleman from Virginia will have exactly that effect. Because of the work requirement provisions of both the committee bill and the Quie-Foley substitute strikers would be required, to be eligible for food stamps, to go out and seek employment. If we turn our backs on them and say to them that they are in a special category, then we are indeed injecting ourselves into a labor dispute and we are putting the imprimatur of the Federal Government against the people who may have legitimate grievances and are using a totally legal method, one which has been adopted by this Congress, to exert their grievances in labor disputes. We are then putting the power of the Federal Government behind the use of hunger as a coercive force in settling strikes.

I do not think any Member of this House wants to be in the position of utilizing the factor of hunger to settle a labor dispute.

I feel very much like the gentleman from Illinois. I do not believe that the utilization of food stamps has any effect on lengthening or lessening the time of the strike. These matters are matters which are to be settled by collective bargaining. I do not think the Federal Government should inject itself into this by in effect singling them out and saying that even though they are looking for a job someplace else when they are on strike that they should not be entitled to receive food stamps.

Mr. Chairman, this amendment would constitute a major step backward in labor relations.

The proponents of this measure argue that the Federal Government should not take sides in a strike situation. But that is exactly what they propose to do.

We hand to management, through this mechanism, the weapon of hunger. Use it, we say, to end your strike. This is too cynical of an attitude for most of us to swallow.

It is not insignificant that this amendment follows the General Motors strike. And so, I submit, we will be taking sides—saying, in effect, we agree with General Motors—if we approve this amendment.

While I heard arguments for cutting strikers off from food stamps during the GM strike, I did not hear a single proponent of this measure advocate cutting GM off from Government contracts.

We are told, with a straight face, that corporation taxes pay for this program and to give strikers the right to receive food stamps when they need them would constitute "taking sides." What is it that all those strikers pay every April 15? They are taxpayers, too.

Why do we not do what these corporations really want us to do? Repeal the National Labor Relations Act. The act guarantees workers the right to strike. This amendment guarantees them the right to starve.

The proponents act as though workers like to strike. That has never been the case.

The proponents want the bitterness, the conflict of strike situations to continue, rather than end. Sooner or later, all strikes end, and this Congress should not want to have on its conscience the knowledge that it prolonged the bitterness.

We would not be declaring war on strikers by this amendment. We would be declaring war on children. Should the families of strikers go hungry? Is there any Representative in this Congress who thinks hunger is a just weapon?

I do not believe that this Congress should turn its back on the purpose of this legislation: "to safeguard the health and well-being of the Nation's population and raise levels of nutrition among low-income households."

Are we going to change the purpose of this legislation? Are we going to insert the words "so long as they are not the families of strikers?"

We must reject the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Utah (Mr. LLOYD).

Mr. LLOYD. Mr. Chairman, the question is presented to Congress now as to whether strikers should be permitted to use food stamps. I say "yes."

The right to organize to negotiate labor contracts is inherent to the concept of freedom, and laborers should have the right to strike in pursuit of their demands. I believe the right to strike carries with it a responsibility to the public interest and we in Congress must give long overdue attention to that public interest, but those who strike should not be punished by denial of food stamps and those who engage in a lawful strike should not be smeared in their efforts to improve their conditions of life.

The difference between a free society and a slave society is the right to personal opinion and individual freedom, including freedom to join a labor union. I do not support legislation which says to an American on strike for better conditions that he must either return to his job or be left with his family to go hungry. We cannot starve free men into sub-

mission and we should not try. It is enough that we have required the striker to register for a job and accept work outside the struck plant if work is available.

American labor must be free to the same extent that American industry must be free. Both should yield when there is a clear violation of the public interest. Public interest is not served, however, by telling the union member that he must work or go hungry. That is not the mark of a free society; that is the mark of totalitarianism.

(By unanimous consent, Mr. LLOYD yielded his remaining time to Mr. DENNIS.)

Mr. DENNIS. Mr. Chairman, I come from an area where a great many people were affected either directly or indirectly by the General Motors strike. People who were working for General Motors were making very good money when they went out on strike. They were making better money when they came back in. The strike was not basically about wages, although that was involved. It was basically about fringe benefits such as retirement after 30 years at the age of approximately 50.

Mr. Chairman, there were a lot of people in that community who were making a lot less money than the people who were working for General Motors, people whose wages were a great deal smaller. However, those same people were paying taxes in order to pay for food stamps to help support the higher paid people who were out on strike.

I can assure you, Mr. Chairman, and members of the Committee, that there was a good deal of resentment by a good many people because of that situation. In my judgment the resentment was quite justified.

Mr. Chairman, the gentleman from Michigan, my friend over here, said a moment ago that this House was on trial. I am inclined to agree with the gentleman. I submit that if this House decides to spend Government money; that is, the taxpayers' money—your money and my money—in support of one side of a labor dispute, that the House ought to be tried and found guilty of maudlin irresponsibility.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania (Mr. GAYDOS).

Mr. GAYDOS. Mr. Chairman, I strongly oppose the amendment, identified by its sponsor as no-food-stamps-for-strikers, to H.R. 18582 which amends the 1964 Food Stamp Act.

It is argued the Federal Government should not play favorites and assist a striker with food stamps and that a taxpayer who is by choice gainfully employed should not be forced to subsidize another taxpayer who is, by choice, unemployed as a striker. Underlying these arguments is the suggestion that food stamps for strikers tend to prolong a strike and thus affect the total commercial structure.

Mr. Chairman, my first reaction to this far-reaching and heartless amendment is sincere resentment. Resentment because I cannot conceive there are those who would callously separate a striker and his family from their existing legal rights to such a basic need as food. The Congress has regularly voted billions of dollars to provide food for the underprivileged and impoverished families of the world. As a nation we have no hesitation to airlift food to the needy wherever they are and particularly when disaster strikes. In fact, between 1964 and 1969, Congress appropriated $15.9 billion worth of food to feed the needy of various foreign countries. Malnutrition and inadequate diets have been the subject of numerous and continuous hearings in and out of Congress and I suggest that my resentment is well founded when one understands that this amendment clearly provides that an American striker and his family be denied these same rights to qualify for food assistance. This amendment is clear—it tells him because he exercises his legal right to dissent he forfeits his family's right to eat under the food stamp program.

My resentment is further aggravated when the full effects of this amendment are projected in relation to forthcoming contract negotiations in the basic steel industry which contract expires August 1, 1971. The basic agreement of the can industry expires February 14, 1971, and the aluminum industry expiration date is May 31, 1971. It is no secret that serious problems loom in the forthcoming basic steel negotiations. Added to the administration's constant pressure to curb wage increases the basic steel industry presently is suffering from a deep and persistent penetration by foreign imports. It is quite possible that the steelworkers' problems may not be resolved in forthcoming contract negotiations which may result in a nationwide work stoppage. Then is when the true danger and fundamental unfairness of the proposed amendment would be exposed and do its designed mischief. It is under these circumstances that the steelworker would be the butt of discrimination by being denied food stamp assistance to his family. This possibility could occur if this amendment were left unchallenged and by some inexplainable reason be enacted into law. It is significant that during the United Auto Workers recent work stoppage, the east coast longshoremen and the transportation workers strike, all strikers who qualified were permitted family food assistance. To deny the steelworkers this same right in their forthcoming hour of need is to obviously discriminate without sound justification.

In response to those who question who will "foot the bill" for food stamps to strikers, the answer is obvious—the striker himself since he has paid, is paying and will continue to pay for the billions of dollars that Congress has voted to provide food for the hungry of this Nation and the world. The Cuban refugee, our native Indians, the ghetto poor, the Appalachian victims, and the hungry generally, have under the American system been provided for because the striker pays the bill through taxes at all levels.

In response to the proposition that the Federal Government should not play favorite and help a striker and his family, the response is obvious—it is too late to hide behind this argument since the Federal Government is committed to continue to attack poverty and malnutrition wherever it is found and regardless of its source. The Federal Government has involved itself in so-called privileged sanctuaries and participated with Federal funds in many areas of need too numerous to mention. Our farm support and subsidy programs; transportation subsidies, including railroads; Government aid of all kinds to schools and private enterprise and generally to all kinds of activities both national and foreign are a few examples; all these things clearly identify our Government and its philosophy during the past 100 years. Should it now be proper to deny fundamental food stamp aid to a dedicated American worker simply because he is involved in a temporary work stoppage initiated under Federal statute and presumably for a just cause? If this is proper, then sound reasoning dictates that the Federal Government to be fair, is obligated to prohibit a company from deducting any loss during such work stoppage under the IRS statutes; furthermore, production equipment depreciation schedules should be revised since production machinery should not qualify for depreciation during a work stoppage, and all Government contracts should be canceled forthwith.

That a Detroit autoworker received $162 worth of groceries by paying $18 for food stamps has been cited as a prime example of the cost and abuse of the program and illustrative of the way the Federal Government would be assisting a striker. The possibility of such a situation does exist; however, the cited example pertains to a family of seven and the striker must further qualify by having nominal income, nominal savings, and so forth. It is obvious that the proponents of the amendment cite the exceptional case. On the other hand, more complete statistics reveal the true situation in Wayne County, Mich., wherein the city of Detroit is located. Statistics provided by the Wayne County Department of Social Services reveal of the 60,000 auto strikers in Wayne County, less than a third; that is, 18,461 strikers qualified for food stamps. It is significant that 2,095 strikers received general assistance, 3,892 families qualified for aid to dependent children—unemployed—and 36 cases of ADC were authorized. It is obvious that should the auto striker be denied food stamp assistance all those that qualified for such assistance would have been added to the general assistance welfare rolls. Again, it is important to notice that over two-thirds of the auto strikers did not receive food stamp assistance. These statistics are significant since Detroit, Mich., contains the most highly concentrated and compact area of autoworkers and it appears accurate to project that other areas would proportionately have a reduced number of auto strikers that qualify for food stamp assistance.

There are no reliable statistics regarding the total cost of the food stamp program during the recent autoworkers' strike. Regardless of the final computation of such costs, I am confident they

would not compare with the billions upon billions of dollars being spent by Congress on the needy and the hungry in this country and in the world.

If the present food stamp program is considered advantageous to the striker then conversely, any change excluding him must then be considered advantageous to management. Management, being an abstract thing, cannot be starved into submission. This amendment, if adopted, could be used to bludgeon a striker more effectively than if he were struck by a club. Nothing brings a man to his knees faster than threats to his wife and family. This amendment threatens a striker, ordering him to give up or go hungry.

If we free Americans, under our free system of government, have a right to freedom of speech, press, and assembly, we also have the right to engage in a work stoppage. Through difficult periods in our history the right to withhold one's labor was finally recognized and is now protected by statute.

A good bit of the misunderstanding regarding the right to strike comes from those who have never labored in a factory, never experienced substandard working conditions or inadequate wages, never assumed the financial responsibility of raising and adequately providing for a family. Strikers are workers—fathers and mothers who are first, human beings. Their strike is an action of last resort. They strike because they are free men and women who refuse to labor for what they collectively regard as inadequate wages, hours, or working conditions. It is fundamental that a striker is no different from the day before he became engaged in a strike. The sinister implications of the proposed amendment have a Jekyll-Hyde connotation; the oft-lauded respectable and highly acclaimed American production worker, because of a work stoppage, is suddenly transformed into a persona non grata and denied his existing legal right to sup at the table of need which he has labored to provide for his fellow man.

Does this courage to stand on his rights justify an amendment which attempts to take another right from him? I say "No." Understanding and charitable men say "No." I urge that my colleagues say "No." This amendment must be defeated with a resounding "No."

The CHAIRMAN. The Chair recognizes the gentleman from Montana (Mr. MELCHER).

Mr. MELCHER. Mr. Chairman, I rise in support of the Foley-Quie substitute.

Mr. Chairman, it seems odd to me that with hogs selling at 15 cents a pound and the parity price ratio at 68 percent, the lowest since 1933, and that despite the fact that food costs only requires 16 percent of our disposable income to feed all of our families, that with all of this cheap food we have, that according to our best estimates 25 million Americans are underfed, malnourished, and in a state of hunger.

The Foley-Quie substitute bill does a much better job than the committee bill. I voted for the committee bill to bring it out, to bring it onto the floor of the House. It is time now that we do the best we can to end hunger in America, and the Foley-Quie bill does the best job, particularly in broadening and simplifying the program. In addition the Foley-Quie bill is far superior in providing access to food stamps for our elderly.

All in all the Foley-Quie substitute is a better bill to bring adequate nourishment to the hungry of America.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana (Mr. MYERS).

Mr. MYERS. Mr. Chairman, the discussion this afternoon seems to be that the use or the denial of the use of food stamps could be used as a prolonger or breaker of strikes. I think we are escaping the intent of this provision entirely. The intent here is not to discriminate against strikers, nor is it to use these to aid in negotiations to assist management or to hurt labor in their labor disputes. We are escaping the intent of the food stamp program itself. The intent of the food stamp program, as I see it, and I think as it should be, is to help poor people to eat better. And who are the poor people? We have further here defined poor people as people who are unable to provide for themselves, people who need assistance because they are unable either mentally, physically, or because of age, to provide the nutritious, adequate diet that they need.

There is just so much money that this Nation has to spend on this program, or any program. If we start spending it for people who strike or others who do not want to work, then we must deny an adequate diet to those people who are unable to work. The intent is not to discriminate against striking workers, nor discriminate against poor people, as the gentleman from Michigan alleged earlier. In fact, the poor people of this country pay the majority of the taxes and the money for this program comes from taxpayers. And unless someone starts concerning themselves about how much taxes we pay, and starts to redirect priorities on how much money we can spend, we just are not going to have enough money to spend on the poor people. It seems to me that the Members here who have been proposing that this is a strikebreaker, or that the strikers should get nothing, have failed to see the intent of the program, or else they have a different idea about what the true intent of the food stamp program is. It must continue to provide for the helpless who need help.

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

Mr. GONZALEZ. Mr. Chairman, I rise primarily to ask two questions:

First, does anybody have any statistics about how many of these strikers that were supposed to have been on strike actually received food stamps? The closest I heard was what the gentleman said a while ago, but he just said the percentage that were eligible, he did not state that they had actually received food stamps. Apparently no one knows.

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

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

Mr. GOODLING. I have already put in the RECORD in my remarks, the amount involved in the General Motors strike.

Mr. GONZALEZ. What was the figure?

Mr. GOODLING. As I recall, it was 300,000.

Mr. GONZALEZ. Does the gentleman means he does not know his own figures?

Mr. GOODLING. I did know it at that time. I do not have them up here. They are not my figures, they are figures from the Department of Agriculture.

Mr. ABBITT. Mr. Chairman, if the gentleman will yield, the Department of Agriculture estimates that approximately $10 million to $14 million was spent in food stamps to strikers, and there were a number of them, there were a huge number, I do not know the estimate, but who got them illegally. I do not know the number.

Mr. GONZALEZ. Well, that is the old principle of an unsubstantiated estimated projection.

But let me ask the gentleman this question on our present system. In my State of Texas, for example, a stiking worker could not receive food stamps; is that correct?

Mr. ABBITT. No; it is not. Under the present law he could receive it.

Mr. GONZALEZ. As I understand it, I thought this was on a State-by-State basis.

Mr. ABBITT. No, it is a Federal provision.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. TEAGUE).

Mr. TEAGUE of California. Mr. Chairman, I rise in strong support of the Abbitt amendment for many reasons.

We have discussed the strike feature of it, but beyond that this is a bill which significantly and importantly increases the present program, but still stays within some reasonable limits of fiscal responsibility. It does not go as far as the Foley-Quie substitute by any means.

It does not go as far as the Senate bill does. All these factors were very carefully considered by the Committee on Agriculture.

The Abbitt substitute is close to the committee bill and I think it deserves the support of the House.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi (Mr. MONTGOMERY).

Mr. O'NEILL of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman.

Mr. O'NEILL of Massachusetts. Mr. Chairman, I rise as one of the cosponsors of the substitute Foley-Quie bill, the Family Nutrition Act of 1970.

The Food Stamp Act of 1964 was passed to end hunger and malnutrition in America. It has not yet done this, and I do not believe the committee bill will do this.

It is estimated that two-thirds of the Nation's hungry are not benefiting from the provisions of the food stamp bill. That is—almost 17 million people are underfed in this Nation.

The committee bill extends the Food

Stamp Act of 1964, with certain changes, among these a requirement that able-bodied adults register for and accept employment as a condition precedent to obtaining stamps, and requires payment of at least 50 cents per person per month for participation in the food stamp program.

The committee can include these provisions because it believes that food stamps should be used to supplement, not substitute for, the normal buying power of low income families.

What many Americans do not understand is that there is a large number of American citizens who have no income, that are dying from malnutrition and outright starvation.

When we think in terms of poor people, we often think of people who do not have enough. But there are people in this Nation who have nothing. There are people in the United States who live on beans and rice, just like the downtrodden of Asia. We must realize this. Even token payments, for people with no cash income, are impossible.

What we are saying, if we demand some token from everyone, is that if you have something, you can get more—if you have nothing, you get nothing.

The free food stamp provision for the most destitute of families is, therefore, one of the most important provisions of our substitute.

The substitute authorizes $2 billion for fiscal 1971. Critics say this is too high and inflationary. It seems to me that funds for hunger programs, social security, health care, and education are always labeled inflationary, but subsidies for rich farmers and big business are called economic necessities. Consider the end to hunger and economic necessity.

We have seen sufficient studies by physiologists, geneticists, and educators to know that poor nutrition can ruin a child's life and made him incapable of functioning fully as an adult. There is just no doubt about this at all. Yet we are missing the opportunity to avoid that destruction of lives if we do not guarantee that everyone can obtain an adequate nutritional diet. We are going to continue to need a million remedial programs in the future if we do not act now to avoid the lethargy and retardation that poor nutrition can produce.

Anyone who is cost-conscious can see the worth of expanding this program.

The other provisions of the substitute are also along this line—eligibility standards, extension of coverage to the elderly and disabled, to the citizens of the territories.

The deletion of the State tax, the easing of certification procedures, the weekly distribution of the stamps, are all designed to make it possible for the poor to obtain stamps. There is no other purpose and there will be no other effect. The antifraud provisions are strengthened so that abusers of the program can be eliminated from the roles. At the same time the innocent are not punished.

If an adult in a household refuses to accept suitable work or register for it, he loses his food stamp allotment. His family is not punished. In the United States we do not punish the child for the sins, crimes, or omissions of the father. That is not an American tradition, and it should not be an American policy.

The substitute which I support and which I urge my colleagues to support is a decent bill. It fulfills the intention of the food stamp program and will help eliminate the tragedy of malnutrition and starvation. This substitute is worthy of your support. There can be no excuse for not making every effort to feed the hungry—all the hungry.

(By unanimous consent, Mr. MONTGOMERY yielded the remainder of his time to Mr. POAGE.)

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

Mr. POAGE. Mr. Chairman, I think there is one point which should be made real clear and that is we are not now voting as to whether we prefer the committee bill or either one of the substitutes. What we are voting on is the question of which one of these substitutes we prefer—and then we will make the decision as to whether we will substitute anything for the committee bill or not.

As I pointed out, I think the committee brought out a real good bill. But as between these two substitutes—and that is what we have before us—there is in my mind absolutely no question but what the Abbitt substitute is far superior to the Quie-Foley substitute.

As I pointed out in my original remarks, there is a basic philosophy in the committee bill without which I could not support legislation of this kind, and I doubt if many of our colleagues could—and that is we should require of every man who is to receive charity at the hands of the Government, that he should make such contribution as he himself can make in trying to assist the Government in supporting him.

I do not think any man has the right to call upon his neighbors to work and to provide food for him through the instrumentality of taxation if he, himself, refuses to work.

The committee bill and the Abbitt amendment both contain that provision.

The Quie-Foley substitute contains a provision that has so many exemptions in it that I do not think you could ever stop anyone from getting food stamps because he refuses to work.

I will go back to the third chapter of Genesis, the 19th verse which states—and on a good deal higher authority than this Congress: "In the sweat of thy face shalt thou eat bread,"

There is no other way prescribed by the Holy Writ for man to provide his sustenance other than by work when he has the opportunity to work. That, my friends, is the great thing that has to be determined now. The Abbitt substitute provides for work—and the other one does not.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania (Mr. GOODLING).

Mr. GOODLING. Mr. Chairman, I will not take my minute and one-half, but I simply rise in support of the Abbitt substitute, which has incorporated in it the amendment I had proposed to offer at a proper time.

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

The CHAIRMAN. The Chair recognizes the gentleman from Michigan (Mr. CONYERS).

Mr. CONYERS. Mr. Chairman and Members, we now have had Biblical injunction quotation cited to us as a reason for not feeding the children of people who might be out on strike, through no fault of their own but a more appropriate thought from the Bible might be "Suffer the little Children." About 2 weeks ago, a group called Citizens for Welfare Reform arrived in Washington to petition foreign countries and anyone else who might assist their plight because State and Federal authorities had not been responsive to their calls for aid. To supplement a callously inadequate budget for America's poor, these citizens were actively seeking foreign aid from various nations including Russia, Sweden, Canada, and England. I consider it to be a tragedy and a major sign of national failure when people of the United States feel that they must look beyond their borders for responsive answers to their impoverished condition.

Mrs. SULLIVAN. Mr. Chairman, will the gentleman yield?

Mr. CONYERS. I yield to the gentlewoman.

Mrs. SULLIVAN. Mr. Chairman, the food stamp law is not the Taft-Hartley Labor-Management Relations Act. It is, and should be neutral in industrial disputes leading to strikes, lockouts, or other industrial discord. There is only one real test of eligibility for food stamps—and that is, can you afford a decent, minimum diet?

The committee bill wants to make people sell their homes, and their cars, in order to get enough to eat—a pauper's oath. This proposed amendment goes further and seeks to make sure no one who is out of work because of the existence of a labor dispute can be helped to get enough to eat. The sponsors say that the amendment is being neutral between management and labor. I would see some possible justice in that position if losses to industry attributable to a company's failure to reach agreement on a labor contract, or refusal to bargain, were made not deductible for tax purposes. But no one is proposing that kind of "neutrality."

There are some Members here who seem to think workers go out on strike in order to enjoy better diets through food stamps. Are those Members aware of the seriousness of the strike weapon to those who feel they have to use it? Does anyone go out on strike for fun? It is usually a terrible hardship for those who are idled by a strike. This amendment would add to that hardship the ultimate in punishment—the possibility of hunger

for the children in a country which feeds poor people all over the world—and no questions asked.

I would have far more respect for an amendment which attempted to outlaw strikes by providing effective machinery for settling industrial disputes without strikes than I do for an amendment which says to a striker: By law, you must go hungry until you are ready to give in.

I reject this cruelty to human beings—to children.

Please remember, Mr. Chairman, that if any striker—or any person—obtains food stamps under false pretense, or by falsifying his eligibility, he can be and should be prosecuted and punished.

No one qualifies for food stamps by going on strike. Applicants must prove eligibility. And, if they do so, they are as much entitled to food stamps for their children as the convicted felon's children or the drunkard's children or the children of married students attending school under the GI bill struggling to get through college or graduate school.

If Secretary Hardin and the Secretary of Health, Education, and Welfare cannot devise tight enough requirements on eligibility to prevent cheating under this program, they should come in here and say in all frankness that so many Americans are cheats and crooks the administration cannot handle the problem.

But I do not believe it. I do not believe that all families or most families in my district who, from time to time, are put through the economic wringer of a strike or lockout for me to be willing to see this Congress write them off as deadbeats and crooks and chislers, who should go hungry if they cannot afford to buy food during a long and bitter strike.

Is there compassion here for human beings—or concern only for the antilabor position of the U.S. Chamber of Commerce?

A vote for this amendment is a vote against every citizen who belongs to me, and believe in, labor unions. It would be as clear-cut an antilabor vote as any which any Member could cast in a career in the Congress. It would never be forgotten, either.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma (Mr. BELCHER).

Mr. BELCHER. Mr. Chairman, I rise in support of the Abbitt substitute. We have had a lot of hearings. We had a lot of discussion in the committee. We came out with a bill that we thought we could get passed, a bill that was sound enough that we could get enough votes for in the House and get passed. As I said awhile ago, if you get to greedy, you are probably going to wind up with not getting a bill, or you are going to get a bill that will completely ruin the food stamp program.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia (Mr. ABBITT) to close the debate.

Mr. ABBITT. Mr. Chairman, I think we ought to realize what the situation is. We shall vote first on the Abbitt substitute. The Abbitt substitute is the committee bill, except that it provides that strikers going out voluntarily shall be ineligible for stamps unless they were eligible at the time they went out on strike.

In addition, the Foley substitute would increase the outlay by nearly $2 billion. It is that simple.

The question is whether you want the committee bill as amended by my substitute, or whether you want to increase the amount through the Foley-Quie substitute by approximately $2 billion.

I might add that if the Abbitt substitute carries, we will rise, vote, and go back to our offices. It seems to me that might be an inducement.

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

Mr. ABBITT. I yield to the gentleman from Georgia.

Mr. BRINKLEY. Mr. Chairman, I rise in support of the Abbitt amendment which would prohibit issuance of food stamps to striking workers.

The Gentleman from Texas (Mr. POAGE) put it very well when he quoted the verse from Genesis. A man who can work but will not, is not entitled to share in the tax dollar set aside for those who are in genuine need.

Work is the mantel of respectability. There should be no incentives provided which would encourage people not to work.

Mr. ABBITT. Mr. Chairman, if my amendment is defeated, we will start all over again.

Mr. MATSUNAGA. Mr. Chairman, as a cosponsor of H.R. 19889, the Family Nutrition Act of 1970 and as one, who, as a member of the Committee on Agriculture in 1964, played a role, however small, in the enactment of the original Food Stamp Act, I rise in support of the Foley amendment.

The food stamp program has proven to be a very important means of providing a more equitable share of our food abundance to low-income families throughout the Nation. However, as it is true in the case of many other welfare programs, experience has shown that the food stamp program needs to be expanded and strengthened better to achieve its goals. Over a 6-year period, Congress has done little more than to provide increases in authorized expenditures for the program. Today, we are informed that the program is still reaching less than 50 percent of its intended beneficiaries—the impoverished Americans. Other shortcomings of the program are being brought to our attention. Indeed, the hour is late for Congress to strengthen the program in order that it can meet the needs that experience has indicated are not being met.

It is clear that the committee bill, while suggesting the existence of these unmet needs, does not go far enough. The bill, H.R. 19889, which is now offered as a substitute for the Committee bill, goes much further in that it provides for greater participation on the part of impoverished Americans in the program to stamp out hunger and malnutrition. On a comparative basis, the proposed substitute bill would keep the many good features of the committee measure, add a few others, and remove certain objectionable provisions, such as the one which would require the States to share the costs of the food stamp program.

I strongly oppose the committee proposal which would compel every State either to finance, by fiscal year 1974, 10 percent of the bonus value of the coupons issued to participants or else abandon the program. The bonus value, of course, refers to the total coupon allotment value less the coupon purchase price. If this change is made in the program, many States will likely be compelled to end their present participation. This requirement would mean, then, not a furtherance of the purposes of the program, but a long step backward.

Many of the States now participating in the program continue to have serious difficulty providing sufficient funds to support their own public welfare programs. Some States—particularly the lower income States—are not now taking full advantage of available Federal public assistance programs because they have not been able to raise the matching funds required. The committee proposal, therefore, would limit still further their ability to assist their needy families. It would constitute, perhaps more than any other provision in the committee bill, an effective bar to keep many States from participating in the program.

Another disturbing fact about the committee bill is that it does not expand coverage sufficiently to provide for the elderly and the handicapped in various ordinary living situations. If we are to recognize as fact, as we must, that there are unmet needs of elderly indigent Americans not only for food but for a better balanced and a more nutritious diet as well, then we must also accept the responsibility of providing them with such diet. To expand coverage of the present program from households to include individuals over 60 only if they are housebound or disabled, as the committee bill provides, therefore, is to offer only half a loaf. There are countless elderly Americans, who, though neither housebound nor disabled, do need the assistance of the food stamp program. The substitute bill meets the need for this extended coverage. We ought to offer the whole loaf.

The substitute measure contains other provisions which would make the food stamp program a truly humanitarian and effective means of eradicating hunger and malnutrition in the United States. Particularly noteworthy are the provisions which would:

Authorize the Secretary of Agriculture to establish food stamp programs in any State that fails to initiate its own program within 300 days after the bill is passed. Hunger is no respecter of State lines. In order to combat it effectively, therefore, we must provide relief irrespective of the State in which an impoverished American happens to live.

Establish a floor for determining eligibility. A family of four with $4,000 a year income or less would be covered.

Allow free food stamps for households of four with incomes of $30 or less per month. The provision in the committee bill requiring a token minimum charge of 50 cents per person per month for a household of five or less, or $3 per household where six or more persons reside, is unrealistic and self-defeating. It is not so much the amount that makes this provision objectionable, but the fact that almost any charge would exclude from the program over 1 million poor who have no cash income.

Mr. Chairman, the enactment of the Family Nutrition Act of 1970 is necessary to insure that the benefits of the food stamp program will reach all intended beneficiaries. In our land of plenty, there is no reason why our Nation's food abundance should not be utilized to the maximum extent practicable to safeguard the health and well-being of our Nation's needy, who today face the scourge of malnutrition. In age, as well as in youth, needy Americans must be provided with a better balanced and more nutritious diet if we are to continue to take rightful pride in the greatness of this Nation of ours.

I strongly urge a favorable vote for the substitute measure.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Virginia (Mr. ABBITT), as amended for the amendment in the nature of a substitute, offered by the gentleman from Washington (Mr. FOLEY).

The question was taken; and the Chairman being in doubt, the Committee divided, and there were—ayes 57, noes 58.

Mr. POAGE. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. ABBITT and Mr. FOLEY.

The Committee again divided, and the tellers reported that there were—ayes 119, noes 116.

So the substitute for the amendment in the nature of a substitute was agreed to.

The CHAIRMAN. The question now occurs on the amendment in the nature of a substitute offered by the gentleman from Washington (Mr. FOLEY), as amended by the substitute amendment offered by the gentleman from Virginia (Mr. ABBITT).

PARLIAMENTARY INQUIRY

Mr. HALL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HALL. The amendment was a substitute amendment for the Foley committee amendment, and therefore the question does not arise, does it?

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from Washington (Mr. FOLEY), as amended by the substitute amendment offered by the gentleman from Virginia (Mr. ABBITT).

Mr. O'HARA. Mr. Chairman, I demand a division.

The CHAIRMAN. A division is demanded. Those in favor will rise and remain standing until counted.

PARLIAMENTARY INQUIRIES

Mr. GERALD R. FORD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. GERALD R. FORD. Will the Chair restate the question on which the Committee now is to act?

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from Washington (Mr. FOLEY), as amended by the substitute amendment offered by the gentleman from Virginia (Mr. ABBITT).

Mr. GERALD R. FORD. A further parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. GERALD R. FORD. If the "ayes" prevail, then the bill will be substituted for by the amendment offered by the gentleman from Virginia (Mr. ABBITT) as an amendment to the amendment in the nature of a substitute offered by the gentleman from Washington (Mr. FOLEY).

The CHAIRMAN. If the Foley amendment in the nature of a substitute as amended by the Abbitt substitute prevails, the Committee will then rise.

Mr. ABERNETHY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ABERNETHY. Is the Committee dividing on the issue now, or is the Chair going to make a determination as to whether there will be tellers?

The CHAIRMAN. The Committee is dividing on the question of the amendment in the nature of a substitute offered by the gentleman from Washington (Mr. FOLEY) as amended by the substitute amendment offered by the gentleman from Virginia (Mr. ABBITT).

The question was taken; and on a division (demanded by Mr. O'HARA) there were—ayes 106, noes 79.

Mr. FOLEY. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. ABBITT and Mr. FOLEY.

The Committee again divided, and the tellers reported that there were—ayes 133, noes 116.

So the amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAIN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MATSUNAGA, 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. 18582) to amend the Food Stamp Act of 1964, as amended, pursuant to House Resolution 1291, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

Mr. FOLEY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 172, nays 183, not voting 78, as follows:

[Roll No. 418]

YEAS—172

Abbitt	Forsythe	Nelsen
Abernethy	Fountain	O'Neal, Ga.
Alexander	Frelinghuysen	Passman
Andrews, Ala.	Frey	Pelly
Arends	Fuqua	Pettis
Ashbrook	Galifianakis	Pickle
Baring	Gettys	Pirnie
Belcher	Goldwater	Poff
Bennett	Goodling	Pollock
Betts	Griffin	Preyer, N.C.
Bow	Gross	Price, Tex.
Bray	Grover	Quillen
Brinkley	Gubser	Rarick
Brock	Hagan	Reid, Ill.
Broomfield	Haley	Rhodes
Brotzman	Hall	Roberts
Brown, Ohio	Hammer-schmidt	Rogers, Fla.
Broyhill, N.C.	Hansen, Idaho	Roth
Broyhill, Va.	Harsha	Roudebush
Buchanan	Harvey	Rousselot
Burleson, Tex.	Hastings	Ruth
Burlison, Mo.	Henderson	Sandman
Byrnes, Wis.	Hogan	Satterfield
Cabell	Hosmer	Scherle
Caffery	Hunt	Schmitz
Camp	Hutchinson	Schneebeli
Carter	Jarman	Schwengel
Cederberg	Johnson, Pa.	Scott
Chamberlain	Jonas	Shriver
Clausen, Don H.	Jones, N.C.	Skubitz
Clawson, Del	Jones, Tenn.	Smith, Calif.
Collier	Kazen	Snyder
Collins, Tex.	Kleppe	Springer
Colmer	Kuykendall	Stafford
Conable	Kyl	Stanton
Corbett	Landgrebe	Steiger, Ariz.
Crane	Landrum	Stephens
Daniel, Va.	Latta	Stubblefield
Davis, Ga.	Lennon	Stuckey
Davis, Wis.	McClory	Talcott
de la Garza	McClure	Taylor
Dellenback	McDonald, Mich.	Teague, Calif.
Denney	McEwen	Thompson, Ga.
Dennis	McMillan	Thomson, Wis.
Derwinski	Mahon	Waggonner
Devine	Mailliard	Wampler
Dickinson	Mann	Ware
Dorn	Marsh	Watson
Downing	Martin	Watts
Duncan	Mathias	Whalley
Edwards, Ala.	Mayne	Whitten
Erlenborn	Miller, Ohio	Widnall
Esch	Mills	Wiggins
Eshleman	Minshall	Williams
Evins, Tenn.	Mizell	Wilson, Bob
Fisher	Montgomery	Wylie
Flowers	Myers	Zion
Ford, Gerald R.		

NAYS—183

Adams	Conte	Hanley
Addabbo	Conyers	Hanna
Albert	Corman	Hansen, Wash.
Anderson, Calif.	Coughlin	Harrington
Anderson, Tenn.	Cowger	Hathaway
Andrews, N. Dak.	Culver	Hawkins
Annunzio	Daniels, N.J.	Hays
Ashley	Delaney	Hechler, W. Va.
Barrett	Dent	Heckler, Mass.
Beall, Md.	Diggs	Helstoski
Bell, Calif.	Dingell	Hicks
Bevill	Donohue	Holifield
Biaggi	Dulski	Howard
Biester	Eckhardt	Hungate
Bingham	Edmondson	Jacobs
Blatnik	Edwards, Calif.	Johnson, Calif.
Boggs	Eilberg	Jones, Ala.
Boland	Fascell	Karth
Brademas	Feighan	Kastenmeier
Brasco	Fish	Keith
Brown, Calif.	Flood	Koch
Burke, Mass.	Foley	Kyros
Burton, Calif.	Fraser	Leggett
Byrne, Pa.	Friedel	Lloyd
Carey	Fulton, Pa.	Long, Md.
Carney	Fulton, Tenn.	Lowenstein
Casey	Garmatz	McCarthy
Celler	Gaydos	McCloskey
Chisholm	Giaimo	McDade
Clark	Gibbons	McFall
Clay	Gonzalez	Madden
Cleveland	Gray	Matsunaga
Cohelan	Green, Oreg.	Meeds
Collins, Ill.	Green, Pa.	Melcher
	Griffiths	Mikva
	Gude	Minish
	Hamilton	Mink

Mollohan	Pucinski	Staggers
Monagan	Quie	Steele
Moorhead	Railsback	Steiger, Wis.
Morgan	Randall	Stokes
Morse	Rees	Stratton
Mosher	Reid, N.Y.	Sullivan
Murphy, Ill.	Reuss	Symington
Murphy, N.Y.	Riegle	Taft
Natcher	Robison	Thompson, N.J.
Nedzi	Rodino	Tiernan
Nix	Roe	Udall
Obey	Rooney, N.Y.	Ullman
O'Hara	Rooney, Pa.	Van Deerlin
Olsen	Rosenthal	Vanik
O'Neill, Mass.	Roybal	Vigorito
Ottinger	Ruppe	Waldie
Patten	Ryan	Whalen
Pepper	St Germain	White
Perkins	Saylor	Wydler
Philbin	Scheuer	Wyman
Pike	Shipley	Yates
Poage	Sisk	Yatron
Podell	Slack	Young
Price, Ill.	Smith, Iowa	Zablocki
Pryor, Ark.	Smith, N.Y.	Zwach

NOT VOTING—78

Adair	Ford,	Morton
Anderson, Ill.	William D.	Moss
Aspinall	Foreman	Nichols
Ayres	Gallagher	O'Konski
Berry	Gilbert	Patman
Blackburn	Halpern	Powell
Blanton	Hébert	Purcell
Bolling	Horton	Reifel
Brooks	Hull	Rivers
Brown, Mich.	Ichord	Rogers, Colo.
Burke, Fla.	Kee	Rostenkowski
Burton, Utah	King	Schadeberg
Bush	Kluczynski	Sebelius
Button	Langen	Sikes
Chappell	Long, La.	Steed
Clancy	Lujan	Teague, Tex.
Cramer	Lukens	Tunney
Cunningham	McCulloch	Vander Jagt
Daddario	McKneally	Weicker
Dowdy	Macdonald,	Whitehurst
Dwyer	Mass.	Wilson,
Edwards, La.	MacGregor	Charles H.
Evans, Colo.	May	Winn
Fallon	Meskill	Wold
Farbstein	Michel	Wolff
Findley	Miller, Calif.	Wright
Flynt	Mize	Wyatt

So the amendment was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert for, with Mr. William D. Ford against.

Mr. Edwards of Louisiana for, with Mr. Wolff against.

Mr. Nichols for, with Mr. Moss against.

Mr. Teague of Texas for, with Mr. Gallagher against.

Mr. Flynt for, with Mr. Rostenkowski against.

Mr. Sikes for, with Mr. Macdonald of Massachusetts against.

Mr. Chappell for, with Mr. Charles H. Wilson against.

Mr. Dowdy for, with Mr. Kluczynski against.

Mr. Berry for, with Mr. Halpern against.

Mr. King for, with Mr. Miller of California against.

Mr. Lukens for, with Mr. Horton against.

Mr. Morton for, with Mr. Kee against.

Mr. Schadeberg for, with Mr. Aspinall against.

Mr. Sebelius for, with Mr. Rogers of Colorado against.

Mrs. May for, with Mr. Daddario against.

Mr. Rivers for, with Mr. Gilbert against.

Mr. Blackburn for, with Mr. Fallon against.

Until further notice:

Mr. Blanton with Mr. Adair.

Mr. Hull with Mr. Langen.

Mr. Wright with Mr. O'Konski.

Mr. Long of Louisiana with Mr. Wyatt.

Mr. Brooks with Mr. Findley.

Mr. Evans of Colorado with Mr. Burke of Florida.

Mr. Purcell with Mr. Brown of Michigan.

Mr. Steed with Mr. Michel.

Mr. Patman with Mr. Vander Jagt.

Mr. Farbstein with Mrs. Dwyer.

Mr. Ichord with Mr. Lujan.

Mr. Tunney with Mr. Weicker.

Mr. McKneally with Mr. Reifel.

Mr. Ayres with Mr. Clancy.

Mr. Bush with Mr. Anderson of Illinois.

Mr. Button with Mr. Burton of Utah.

Mr. Cramer with Mr. Mize.

Mr. Foreman with Mr. Meskill.

Mr. Winn with Mr. Whitehurst.

Mr. McCulloch with Mr. Cunningham.

Mr. Wold with Mr. MacGregor.

Messrs. STEIGER of Arizona and BOB WILSON changed their votes from "nay" to "yea."

The result of the vote was announced as above recorded.

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 text of the bill is as follows:

SECTION 1. Section 2 of the Food Stamp Act of 1964, as amended, is amended to read as follows:

"It is hereby declared to be the policy of Congress, in order to promote the general welfare, that the Nation's abundance of food should be utilized cooperatively by the States, the Federal Government, local governmental units, and other agencies to safeguard the health and well-being of the Nations population and raise levels of nutrition among low-income households. The Congress hereby finds that the limited food purchasing power of low-income households contributes to hunger and malnutrition among members of such households. The Congress further finds that increased utilization of food in establishing and maintaining adequate national levels of nutrition will promote the distribution in a beneficial manner of our agricultural abundances and will strengthen our agricultural economy, as well as result in more orderly maketing and distribution of food. To alleviate such hunger and malnutrition, a food stamp program is herein authorized which will permit low-income households to purchase a nutritionally adequate diet through normal channels of trade."

SEC. 2. (a) Add the following sentence at the end of subsection 3(f) of the Food Stamp Act of 1964, as amended: "It shall also mean a political subdivision or a private nonprofit organization that meets the requirements of section 10(h) of this Act."

(b) Subsection (j) of section 3 of the Food Stamp Act of 1964, as amended, is amended to read as follows: "The term 'State' means the fifty States and the District of Columbia, Guam, Puerto Rico, and the Virgin Islands of the United States.".

(c) Add the following new subsection at the end of section 3 of the Food Stamp Act of 1964, as amended:

"(l) The term 'elderly person' shall mean a person sixty years of age or over who is not a resident of an institution or boarding house, and who is living alone, or with spouse, whether or not be has cooking facilities in his home."

(d) Section 3 of the Food Stamp Act of 1964, as amended, is amended by adding the following new subsection:

"(m) The term 'authorization to purchase card' means any document issued by the State agency to an eligible household which shows the face value of the coupon allotment the household is entitled to be issued on presentment of such document and the amount to be paid by such household for such allotment."

SEC. 3. Subsections (a) and (b) of section 4 of the Food Stamp Act of 1964, as amended, are amended to read as follows:

"(a) The Secretary is authorized to formulate and administer a food stamp program under which, at the request of the State agency, eligible households within the State shall be provided with an opportunity to obtain a nutritionally adequate diet through the issuance to them of a coupon allotment which shall have a greater monetary value than the charge to be paid for such allotment by eligible households. The coupons so received by such households shall be used only to purchase food from retail food stores which have been approved for participation in the food stamp program. Coupons issued and used as provided in this Act shall be redeemable at face value by the Secretary through the facilities of the Treasury of the United States.

"(b) In areas where the food stamp program is in operation, there shall be no distribution of federally donated foods to households under the authority of any other law except that distribution thereunder may be made: (1) during temporary emergency situations when the Secretary determines that commercial channels of food distribution have been disrupted; (2) for such period of time as the Secretary determines necessary, to effect an orderly transition in an area in which the distribution of federally donated foods to households is beings replaced by a food stamp program; or (3) on request of the State agency: *Provided*, That the Secretary shall not approve any plan established under this Act which permits any household to simultaneously participate in both the food stamp program and the distribution of federally donated foods under this clause (3)."

SEC. 4. Section 5 of the Food Stamp Act of 1964, as amended, is amended to read as follows:

"(a) Except for the temporary participation of households that are victims of a disaster as provided in subsection (b) of this section, participation in the food stamp program shall be limited to those households whose income and other financial resources are determined to be substantial limiting factors in permitting them to purchase a nutritionally adequate diet.

"(b) The Secretary, in consultation with the Secretary of Health, Education, and Welfare, shall establish uniform national standards of eligibility for participation by households in the food stamp program and no plan of operation submitted by a State agency shall be approved unless the standards of eligibility meet those established by the Secretary. The standards established by the Secretary, at a minimum, shall prescribe the amounts of household income and other financial resources, including both liquid and nonliquid assets, to be used as criteria of eligibility. Any household which includes a member who has reached his eighteenth birthday and who is claimed as a dependent child for Federal income tax purposes by a taxpayer who is not a member of an eligible household, shall be ineligible to participate in any food stamp program established pursuant to this Act during the tax period such dependency is claimed and for a period of one year after expiration of such tax period. The Secretary may also establish temporary emergency standards of eligibility, without regard to income and other financial resources, for households that are victims of a disaster which disrupted commercial channels of food distribution when he determines that such households are in need of temporary food assistance, and that commercial channels of food distribution have again become available to meet the temporary food needs of such households: *Provided*, That the Secretary shall in the case of Puerto Rico, Guam, and the Virgin Islands, establish special standards of eligibility and coupon allotment schedules which reflect the average per capita income and cost of obtaining a nutritionally adequate diet in Puerto Rico and the respective territories; except that in

no event shall the standards of eligibility or coupon allotment schedules so used exceed those in the fifty States.

"(c) Notwithstanding any other provisions of law, the Secretary shall include in the uniform national standards of eligibility to be prescribed under subsection (b) of this section a provision that each State agency shall provide that a household shall not be eligible for assistance under this Act if it includes an able-bodied adult person between the ages of eighteen and sixty-five (except mothers or other members of the household who have the responsibility of care of dependent children or of incapacitated adults or who are bona fide students in any accredited school or training program) who either (a) fails to register for employment at a State or Federal employment office or, when impractical, at such other appropriate State or Federal office designated by the Secretary, or (b) has refused to accept employment or public work at not less than the higher of State or Federal minimum wage or the wage established by a valid regulation of any agency of the Federal Government authorized by existing law to establish such regulation. Refusal to work at a struck plant or site for the duration of a strike shall not be deemed to be a refusal to accept employment."

SEC. 5. Subsections (a) and (b) of section 7 of the Food Stamp Act of 1964, as amended, are amended to read as follows:

"(a) The face value of the coupon allotment which State agencies shall be authorized to issue to any households certified as eligible to participate in the food stamp program shall be in such amount as the Secretary determines to be the cost of a nutritionally adequate diet.

"(b) Notwithstanding any other provision of law, households shall be charged for the coupon allotment issued to them, and the amount of such charge shall represent a reasonable investment on the part of the household, but in no event—

"(1) less than 50 cents per person per month for a household of five or less persons, or $3 per household per month for a household of six or more persons; or

"(2) more than 30 per centum of the household's income.

The State agency may arrange for payment from State or local sources, including sums made available by charitable and similar organizations, of such portion of the minimum charge as may be necessary to insure the participation of all households certified for participation at the minimum charge: *Provided,* That the Secretary shall provide a reasonable opportunity for any eligible household to elect to be issued a coupon allotment having a face value which is less than the face value of the coupon allotment authorized to be issued to them under subsection (a) of this section. The charge to be paid by eligible households electing to exercise the option set forth in this subsection shall be an amount which bears the same ratio to the amount which would have been charged under subsection (b) of this section as the face value of the coupon allotment actually issued to them bears to the face value of the coupon allotment that would have been issued to them under subsection (a) of this section."

SEC. 6. (a) Subsection (e) of section 10 of the Food Stamp Act of 1964, as amended, is amended to read as follows:

"The State agency of each State desiring to participate in the food stamp program shall submit for approval a plan of operation specifying the manner in which such program will be conducted within the State, the political subdivisions within the State in which the State desires to conduct the program, and the effective dates of participation by each such political subdivision. In addition, such plan of operation shall provide, among such other provisions as may by regulations be required, the following: (1) the specific standards to be used in determining the eligibility of applicant households; (2) that the State agency shall undertake the certification of applicant households in accordance with the general procedures and personnel standards used by them in the certification of applicants for benefits under the federally aided public assistance programs; (3) safeguards which restrict the use or disclosure of information obtained from applicant households to persons directly connected with the administration or enforcement of the provisions of this Act or the regulations issued pursuant to this Act; (4) for the submission of such reports and other information as from time to time may be required; (5) that the State agency shall undertake effective action, including the use of services provided by other federally funded agencies and organizations, to inform low-income households concerning the availability and benefits of the food stamp program and insure the participation of eligible households; and (6) for the granting of a fair hearing and a prompt determination thereafter to any household aggrieved by the action of a State agency under any provision of its plan of operation as it affects the participation of such household in the food stamp program. Upon the joint approval of the Secretary and the Secretary of Health, Education, and Welfare the State plan may provide for withholding the amount to be paid by a household for its coupon allotment from any payment made by the State agency to such household under a federally aided public assistance program, if such withholding is authorized by such household. In approving the participation of the subdivisions requested by each State in its plan of operation, the Secretary shall provide for an equitable and orderly expansion among the several States in accordance with their relative need and readiness to meet their requested effective dates of participation."

(b) Add the following new subsection to section 10 of the Food Stamp Act of 1964, as amended:

"(h) Subject to such terms and conditions as may be prescribed by the Secretary in the regulations issued pursuant to this Act, members of an eligible household who are sixty years of age or over or an elderly person and his spouse may use coupons issued to them to purchase meals prepared for and delivered to them by a political subdivision or by a private nonprofit organization which: (1) is not receiving federally donated foods from the United States Department of Agriculture for use in the preparation of such meals; (2) is operated in a manner consistent with the purposes of this Act; and (3) is recognized as a tax exempt organization by the Internal Revenue Service: *Provided,* That household members or elderly persons to whom meals are delivered are housebound, feeble, physically handicapped, or otherwise disabled, to the extent that they are unable to adequately prepare all of their meals. Meals served pursuant to this subsection shall be deemed 'food' for the purposes of this Act."

SEC. 7. Subsections (a) and (b) of section 14 of the Food Stamp Act of 1964, as amended, are amended as follows:

"(a) Notwithstanding any other provisions of this Act, the Secretary may provide for the purchase, issuance or presentment for redemption of coupons to such person or persions, and at such times and in such manner, as he deems necessary or appropriate to protect the interests of the United States or to insure enforcement of the provisions of this Act or the regulations issued pursuant to this Act.

"(b) Whoever knowingly uses, transfer, acquires, alters, or possesses coupons or authorization to purchase cards in any manner not authorized by this Act or the regulations issued pursuant to this Act shall, if such coupons or authorization to purchase cards are of the value of $100 or more, be guilty of a felony and shall, upon conviction thereof, be fined not more than $10,000 or imprisoned for not more than five years or both, or, if such coupons of authorization to purchase cards are of a value of less than $100, shall be guilty of a misdemeanor and shall, upon conviction thereof, be fined not more than $5,000 or imprisoned for not more than one year, or both."

SEC. 8. Subsection (b) of section 15 of the Food Stamp Act of 1964 as amended, is amended to read as follows:

"(b) The Secretary is authorized to pay to each State agency an amount equal to 62½ per centum of the sum of (1) the direct salary, travel, and travel-related cost (including such fringe benefits as are normally paid) of personnel, including the immediate supervisors of such personnel, for such time as they are employed in taking the action required under the provisions of subsection 10(e)(5) of this Act and in making certification determinations for households other than those which consist solely of recipients of welfare assistance; (2) the direct salary, travel, and travel-related costs (including such fringe benefits as are normally paid) of personnel for such time as they are employed as hearing officials under section 10 (e) of the Act."

SEC. 9. Section 15 of the Food Stamp Act of 1964 is further amended by adding the following subsection:

"(c) Notwithstanding any other provision of law, each State shall be responsible for financing, from funds available to the State or political subdivision thereof, 10 per centum of the value of the coupon allotment issued to eligible households which is in excess of the charges paid by such households for such allotments: *Provided,* That such State financing shall be 2½ per centum for the fiscal year ending June 30, 1971; 5 per centum for the fiscal year ending June 30, 1972; 7½ per centum for the fiscal year ending June 30, 1973; 10 per centum for the fiscal year ending June 30, 1974; and 10 per centum for each fiscal year thereafter. Each State shall transfer such sums to, and they shall be made a part of, the separate account created under section 7(d) of this Act. Each State shall transfer such sums to such account within one calendar month following the calendar month in which the coupon allotments are issued to eligible households: *Provided further,* That the provisions of this subsection shall not be effective for any coupon allotments issued prior to July 1, 1970 (or July 1, 1971, in the case of a State wherein the State legislature has not held a session prior to July 1, 1970) to enable each State to take such action as is necessary under the statutes of the States to comply with the provisions of this subsection."

SEC. 10. Section 16(a) of the Food Stamp Act of 1964, as amended, is amended to read as follows:

"To carry out the provisions of this Act, there is hereby authorized to be appropriated not in excess of $610,000,000 for the fiscal year ending June 30, 1970, and such sums as the Congress may appropriate for the fiscal years ending June 30, 1971, June 30, 1972, and June 30, 1973, and not in excess of such sum as may hereafter be authorized by Congress for any subsequent fiscal year. Sums appropriated under this section shall, notwithstanding the provisions of any other law, continue to remain available for the purposes of this Act until expended. Such portion of any such appropriation as may be required to pay for the value of the coupon allotments issued to eligible households which is in excess of the charges paid by such households for such allotment shall be transferred to and made a part of the separate account created under section 7(d) of this Act. This Act shall be carried out

only with funds appropriated from the general fund of the Treasury for that specific purpose and in no event shall it be carried out with funds derived from permanent appropriations."

SEC. 11. State plans of operation approved by the Secretary of Agriculture under the Food Stamp Act of 1964, as amended, prior to the date of the enactment of amendments thereto by this Act shall continue in effect until such plans are changed to accord with such amendments: *Provided*, That no such previously approved plan shall remain unchanged for more than one hundred and eighty days after the enactment of such amendments.

MOTION TO RECOMMIT OFFERED BY MR. GOODLING

Mr. GOODLING. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. GOODLING. I am, Mr. Speaker, in its present form.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. GOODLING moves to recommit the bill H.R. 18582 to the Committee on Agriculture.

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.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. GERALD R. FORD. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 290, nays 68, not voting 75, as follows:

[Roll No. 419]

YEAS—290

Adams	Chamberlain	Friedel
Addabbo	Chisholm	Fulton, Pa.
Albert	Clark	Fulton, Tenn.
Alexander	Clausen,	Galifianakis
Anderson,	Don H.	Gallagher
Calif.	Clay	Garmatz
Anderson,	Cleveland	Gaydos
Tenn.	Cohelan	Gettys
Andrews,	Collier	Giaimo
N. Dak.	Collins, Ill.	Gibbons
Arends	Conte	Gonzalez
Ashley	Conyers	Gray
Barrett	Corbett	Green, Oreg.
Beall, Md.	Corman	Green, Pa.
Belcher	Coughlin	Griffin
Bell, Calif.	Cowger	Griffiths
Betts	Culver	Grover
Bevill	Daniels, N.J.	Gude
Biaggi	Davis, Ga.	Hall
Biester	Davis, Wis.	Hamilton
Blatnik	de la Garza	Hammer-
Boggs	Delaney	schmidt
Boland	Dellenback	Hanley
Brademas	Dent	Hanna
Brasco	Derwinski	Hansen, Idaho
Bray	Diggs	Hansen, Wash.
Brooks	Dingell	Harrington
Broomfield	Donohue	Harsha
Brotzman	Downing	Harvey
Brown, Calif.	Dulski	Hathaway
Brown, Ohio	Duncan	Hawkins
Broyhill, N.C.	Eckhardt	Hays
Broyhill, Va.	Edmondson	Hechler, W. Va.
Buchanan	Edwards, Calif.	Heckler, Mass.
Burke, Mass.	Eilberg	Helstoski
Burlison, Mo.	Erlenborn	Hicks
Burton, Calif.	Esch	Hogan
Byrne, Pa.	Evins, Tenn.	Holifield
Byrnes, Wis.	Fascell	Hosmer
Cabell	Feighan	Howard
Caffery	Fish	Hungate
Carey	Flood	Hunt
Carney	Foley	Jacobs
Carter	Ford, Gerald R.	Jarman
Casey	Forsythe	Johnson, Calif.
Cederberg	Fraser	Johnson, Pa.
Celler	Frelinghuysen	Jones, Ala.
Jones, Tenn.	Murphy, N.Y.	Scheuer
Karth	Natcher	Schneebeli
Kastenmeier	Nedzi	Schwengel
Kazen	Nelsen	Shipley
Keith	Nix	Shriver
Kleppe	Obey	Sisk
Koch	O'Hara	Skubitz
Kuykendall	Olsen	Slack
Kyl	O'Neill, Mass.	Smith, Iowa
Kyros	Ottinger	Smith, N.Y.
Landgrebe	Patten	Springer
Landrum	Pelly	Stafford
Latta	Pepper	Staggers
Leggett	Perkins	Stanton
Lloyd	Pettis	Steele
Long, Md.	Philbin	Steiger, Wis.
Lowenstein	Pickle	Stephens
McCarthy	Pike	Stokes
McClory	Pirnie	Stratton
McCloskey	Poage	Stubblefield
McDade	Podell	Stuckey
McDonald,	Poff	Symington
Mich.	Pollock	Taft
McEwen	Preyer, N.C.	Taylor
McFall	Price, Ill.	Teague, Calif.
Macdonald,	Pryor, Ark.	Thompson, Ga.
Mass.	Pucinski	Thompson, N.J.
Madden	Quie	Thomson, Wis.
Mahon	Railsback	Tiernan
Mailliard	Randall	Udall
Mann	Rees	Ullman
Martin	Reid, Ill.	Van Deerlin
Mathias	Reid, N.Y.	Vanik
Matsunaga	Reifel	Vigorito
Mayne	Reuss	Waldie
Meeds	Rhodes	Wampler
Melcher	Riegle	Ware
Mikva	Roberts	Watts
Miller, Ohio	Robison	Whalen
Mills	Rodino	Whalley
Minish	Roe	White
Mink	Rogers, Fla.	Widnall
Minshall	Rooney, N.Y.	Williams
Mizell	Rooney, Pa.	Wold
Mollohan	Rosenthal	Wyatt
Monagan	Roth	Wylie
Montgomery	Roudebush	Wyman
Moorhead	Roybal	Yates
Morgan	Ruppe	Yatron
Morse	Ryan	Young
Mosher	St Germain	Zablocki
Murphy, Ill.	Sandman	Zwach

NAYS—68

Abbitt	Eshleman	Passman
Abernethy	Fisher	Price, Tex.
Andrews, Ala.	Flowers	Quillen
Annunzio	Fountain	Rarick
Ashbrook	Frey	Rousselot
Baring	Fuqua	Ruth
Bennett	Goldwater	Satterfield
Bow	Goodling	Saylor
Brinkley	Gross	Scherle
Brock	Gubser	Schmitz
Burleson, Tex.	Hagan	Scott
Chappell	Haley	Smith, Calif.
Clawson, Del	Hastings	Snyder
Collins, Tex.	Henderson	Steiger, Ariz.
Colmer	Hutchinson	Sullivan
Conable	Jonas	Talcott
Daniel, Va.	Jones, N.C.	Waggonner
Denney	Lennon	Watson
Dennis	McClure	Whitten
Devine	McMillan	Wiggins
Dickinson	Marsh	Wilson, Bob
Dorn	Myers	Zion
Edwards, Ala.	O'Neal, Ga.	

NOT VOTING—75

Adair	Findley	Morton
Anderson, Ill.	Flynt	Moss
Aspinall	Ford,	Nichols
Ayres	William D.	O'Konski
Berry	Foreman	Patman
Bingham	Gilbert	Powell
Blackburn	Halpern	Purcell
Blanton	Hébert	Rivers
Bolling	Horton	Rogers, Colo.
Brown, Mich.	Hull	Rostenkowski
Burke, Fla.	Ichord	Schadeberg
Burton, Utah	Kee	Sebelius
Bush	King	Sikes
Button	Kluczynski	Steed
Camp	Langen	Teague, Tex.
Clancy	Long, La.	Tunney
Cramer	Lujan	Vander Jagt
Crane	Lukens	Weicker
Cunningham	McCulloch	Whitehurst
Daddario	McKneally	Wilson,
Dowdy	MacGregor	Charles H.
Dwyer	May	Winn
Edwards, La.	Meskill	Wolff
Evans, Colo.	Michel	Wright
Fallon	Miller, Calif.	Wydler
Farbstein	Mize	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert for, with Mr. Teague of Texas against.

Mr. Edwards of Louisiana for, with Mr. Nichols against.

Mr. Rostenkowski for, with Mr. Sikes against.

Mr. Blanton for, with Mr. Flynt against.

Mr. Wolff for, with Mr. Dowdy against.

Until further notice:

Mr. Aspinall with Mr. Adair.

Mr. Miller of California with Mr. McCulloch.

Mr. Long of Louisiana with Mr. Horton.

Mr. Kluczynski with Mr. Blackburn.

Mr. Hull with Mr. Schadeberg.

Mr. Tunney with Mr. Findley.

Mr. Charles H. Wilson with Mr. Wydler.

Mr. Evans of Colorado with Mr. Sebelius.

Mr. William D. Ford with Mr. Michel.

Mr. Patman with Mr. King.

Mr. Rogers of Colorado with Mr. Powell.

Mr. Rivers with Mr. Anderson of Illinois.

Mr. Steed with Mr. Brown of Michigan.

Mr. Moss with Mr. O'Konski.

Mr. Kee with Mr. Clancy.

Mr. Wright with Mr. Camp.

Mr. Ichord with Mr. Vander Jagt.

Mr. Bingham with Mr. Winn.

Mr. Daddario with Mr. Langen.

Mr. Purcell with Mr. Ayres.

Mr. Gilbert with Mr. Mize.

Mr. Fallon with Mr. MacGregor.

Mrs. Dwyer with Mr. Farbstein.

Mr. Lujan with Mr. Cunningham.

Mr. Burke of Florida with Mr. Morton.

Mr. Weicker with Mr. Berry.

Mr. Cramer with Mr. Foreman.

Mr. Whitehurst with Mr. Crane.

Mr. Lukens with Mr. Burton of Utah.

Mrs. May with Mr. Bush.

Mr. Meskill with Mr. Button.

Mr. Halpern with Mr. McKneally.

Messrs. FLOWERS and HASTINGS changed their votes from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. POAGE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 2547) to amend the Food Stamp Act of 1964, and to strike out all after the enacting clause and insert in lieu thereof the text of H.R. 18582, as just passed.

The Clerk read the title of the Senate bill.

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

Mr. HALL. Mr. Speaker, I object.

The SPEAKER pro tempore (Mr. BOGGS). Objection is heard.

GENERAL LEAVE

Mr. POAGE. Mr. Speaker, I ask unanimous consent that all Members may have 3 legislative days in which to revise and extend their remarks with respect to the bill just passed, the amendments to the Food Stamp Act of 1964.

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

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate insists upon its amendments to the bill (H.R. 6114) entitled "An act for the relief of Elmer M. Grade," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. EASTLAND, Mr. MCCLELLAN, Mr. ERVIN, Mr. HRUSKA, and Mr. COOK to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2193) entitled "An act to authorize the Secretary of Labor to set standards to assure safe and healthful working conditions for working men and women; to assist and encourage States to participate in efforts to assure such working conditions; to provide for research, information, education, and training in the field of occupational safety and health, and for other purposes."

The message also announced that Mr. JORDAN of Idaho be apponted a conferee on the joint resolution (H.J. Res. 1117) entitled "Joint resolution to establish a Joint Committee on the Environment" in lieu of Mr. ALLOTT, excused.

RELATING TO ELMER M. GRADE AND THE "DELTA QUEEN"

Mr. CELLER submitted the following conference report and statement on the bill (H.R. 6114) for the relief of Elmer M. Grade:

CONFERENCE REPORT (H. REPT. No. 97–1769)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6114) for the relief of Elmer M. Grade, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same.

EMANUEL CELLER,
HAROLD D. DONOHUE,
WILLIAM M. MCCULLOCH,
Managers on the Part of the House.

JAMES O. EASTLAND,
JOHN L. MCCLELLAN,
SAM J. ERVIN, Jr.
ROMAN L. HRUSKA,
M. W. COOK,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6114) for the relief of Elmer M. Grade, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment contained a provision, not included in the House bill, amending section 5(b) of the Act of May 27, 1936 (49 Stat. 1384), to permit the historic steamboat, the *Delta Queen*, to operate until November 1, 1973.

The Senate amendment also contained a provision amending the title of the House bill by adding at the end thereof the following: ", and for other purposes".

The conference agreement adopts the Senate provisions.

The Senate amendment does not involve any expenditure of Federal funds. Permitting the *Delta Queen* to operate until November 1, 1973, will give the Congress time to hear and decide how to assist in saving the last symbol of a bygone era. Furthermore, the conferees recommend early and expedited hearings on the feasibility of applying recent NASA technological developments to the vessel's wooden superstructure to determine their effect in reducing the combustibility and flame-spread characteristics of these surfaces.

In a letter which Representative William M. McCulloch received from the President of the Greene Line Steamers, Inc., dated November 25, 1970, it is pointed out that the company which operates the *Delta Queen* has an unblemished 80-year safety record, and if Congress grants a three-year extension they have assured Congress that they will voluntarily take extra safety precautions in excess of Coast Guard requirements.

EMANUEL CELLER,
HAROLD D. DONOHUE,
WILLIAM M. MCCULLOCH
Managers on the Part of the House.

REQUEST FOR ADJOURNMENT UNTIL TOMORROW AT 11 O'CLOCK A.M.

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

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

Mr. HALL. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

OMNIBUS CRIME CONTROL ACT OF 1970—CONFERENCE REPORT

Mr. CELLER submitted the following conference report and statement on the bill (H.R. 17825) to amend the Omnibus Crime Control and Safe Streets Act of 1968, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 91–1768)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 17825) to amend the Omnibus Crime Control and Safe Streets Act of 1968, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That this Act may be cited as the "Omnibus Crime Control Act of 1970".

TITLE I—OMNIBUS CRIME CONTROL AND SAFE STREETS ACT AMENDMENTS

LAW ENFORCEMENT ASSISTANCE ADMINISTRATION

SEC. 2. Section 101 of the Omnibus Crime Control and Safe Streets Act of 1968 is amended to read as follows:

"SEC. 101. (a) There is hereby established within the Department of Justice under the general authority of the Attorney General, a Law Enforcement Assistance Administration (hereinafter referred to in this title as 'Administration') composed of an Administrator of Law Enforcement Assistance and two Associate Administrators of Law Enforcement Assistance, who shall be appointed by the President, by and with the advice and consent of the Senate. Beginning after the end of the term of either of the present incumbents, one of the Associate Administrators shall be a member of a political party other than that of the President.

"(b) The Administrator shall be the executive head of the agency and shall exercise all administrative powers, including the appointment and supervision of Administration personnel. All of the other functions, powers, and duties created and established by this title shall be exercised by the Administrator with the concurrence of either one or both of the two Associate Administrators."

PLANNING GRANTS

SEC. 3. (a) The third sentence of section 203(a) of the Omnibus Crime Control and Safe Streets Act of 1968 is amended to read as follows: "The State planning agency and any regional planning units within the State shall, within their respective jurisdictions, be representative of the law enforcement agencies, units of general local government, and public agencies maintaining programs to reduce and control crime."

(b) Subsection (c) of section 203 of such Act is amended by inserting the following after the period at the end of the first sentence: "The Administration may waive this requirement, in whole or in part, upon a finding that the requirement is inappropriate in view of the respective law enforcement planning responsibilities exercised by the State and its units of general local government and that adherence to the requirement would not contribute to the efficient development of the State plan required under this part. In allocating funds under this subsection, the State planning agency shall assure that major cities and counties within the State receive planning funds to develop comprehensive plans and coordinate functions at the local level."

(c) Subsection (c) of section 203 is amended further by striking out the word "the preceding sentence" and inserting in lieu thereof "this subsection".

(d) Section 204 of such Act is amended by striking the second sentence.

GRANTS FOR LAW ENFORCEMENT PURPOSES

SEC. 4. Part C of title I of the Omnibus Crime Control and Safe Streets Act of 1968 is amended as follows:

(1) Section 301(b)(4) is amended to read as follows:

"(4) Constructing buildings or other physical facilities which would fulfill or implement the purpose of this section, including local correctional facilities, centers for the treatment of narcotic addicts, and temporary courtroom facilities in areas of high crime incidence."

(2) Subsection (b) of section 301 is amended by adding at the end thereof the following new paragraphs:

"(8) The establishment of a Criminal Justice Coordinating Council for any unit of general local government or any combination of such units within the State, having a population of two hundred and fifty thousand or more, to assure improved planning and coordination of all law enforcement activities.

"(9) The development and operation of community based delinquent prevention and correctional programs, emphasizing halfway houses and other community based rehabilitation centers for initial preconviction of postconviction referral of offenders; expanded probationary programs, including paraprofessional and volunteer participation; and community service centers for the guidance and supervision of potential repeat youthful offenders."

(3) Subsection (c) of section 301 is amended to read as follows:

"(c) The portion of any Federal grant made under this section for the purposes of paragraph (5) or (6) of subsection (b) of this section may be up to 75 per centum of the cost of the program or project specified in the application for such grant. The portion of any Federal grant made under this section for the purposes of paragraph (4) of subsection (b) of this section may be up to 50 per centum of the cost of the program or project specified in the application for such grant. The portion of any Federal grant made under this section to be used for any other purpose set forth in this section may be up to 75 per centum of the cost of the program or project specified in the application for such grant. No part of any grant made under this section for the purpose of renting, leasing, or constructing buildings or other physical facilities shall be used for land acquisition. In the case of a grant under this section to an Indian tribe or other aboriginal group, if the Administration determines that the tribe or group does not have sufficient funds available to meet the local share of the cost of any program or project to be funded under the grant, the Administration may increase the Federal share of the cost thereof to the extent it deems necessary. Effective July 1, 1972, at least 40 per centum of the non-Federal funding of the cost of any program or project to be funded by a grant under this section shall be of money appropriated in the aggregate, by State or individual unit of government, for the purpose of the shared funding of such programs or projects."

(4) Subsection (d) of section 301 is amended to read as follows:

"(d) Not more than one-third of any grant made under this section may be expended for the compensation of police and other regular law enforcement personnel. The amount of any such grant expanded for the compensation of such personnel shall not exceed the amount of State or local funds made available to increase such compensation. The limitations contained in this subsection shall not apply to the compensation of personnel for time engaged in conducting or undergoing training programs or to the compensation of personnel engaged in research, development, demonstration or other short-term programs."

(5) Section 303 is amended by inserting immediately after the first sentence the following new sentence: "No State plan shall be approved as comprehensive unless the Administration finds that the plan provides for the allocation of adequate assistance to deal with law enforcement problems in areas characterized by both high crime incidence and high law enforcement activity."

(6) Paragraph (2) of Section 303 is amended by striking out the semicolon and inserting in lieu thereof the following: ", except that each such plan shall provide that beginning July 1, 1972, at least the per centum of Federal assistance granted to the State planning agency under this part for any fiscal year which corresponds to the per centum of the State and local law enforcement expenditures funded and expended in the immediately preceding fiscal year by units of general local government will be made available to such units or combinations of such units in the immediately following fiscal year for the development and implementation of programs and projects for the improvement of law enforcement, and that with respect to such programs or projects the State will provide in the aggregate not less than one-fourth of the non-Federal funding. Per centum determinations under this paragraph for law enforcement funding and expenditures for such immediately preceding fiscal year shall be based upon the most accurate and complete data available for such fiscal year or for the last fiscal year for which such data are available. The Administration shall have the authority to approve such determinations and to review the accuracy and completeness of such data;"

(7) Section 305 is amended to read as follows:

"SEC. 305. Where a State has failed to have a comprehensive State plan approved under this title within the period specified by the Administration for such purpose, the funds allocated for such State under paragraph (1) of section 306(a) of this title shall be available for reallocation by the Administration under paragraph (2) of section 306(a)."

(8) Section 306 is amended to read as follows:

"SEC. 306. (a) The funds appropriated each fiscal year to make grants under this part shall be allocated by the Administration as follows:

"(1) Eighty-five per centum of such funds shall be allocated among the States according to their respective populations for grants to State planning agencies.

"(2) Fifteen per centum of such funds, plus any additional amounts made available by virtue of the application of the provisions of sections 305 and 509 of this title to the grant of any State, may, in the discretion of the Administration, be allocated among the States for grants to State planning agencies, units of general local government, or combinations of such units, according to the criteria and on the terms and conditions the Administration determines consistent with this title.

Any grant made from funds available under paragraph (2) of this subsection may be up to 75 per centum of the cost of the program or project for which such grant is made. No part of any grant under such paragraph for the purpose of renting, leasing, or constructing buildings or other physical facilities shall be used for land acquisition. In the case of a grant under such paragraph to an Indian tribe or other aboriginal group, if the Administration determines that the tribe or group does not have sufficient funds available to meet the local share of the costs of any program or project to be funded under the grant, the Administration may increase the Federal share of the cost thereof to the extent it deems necessary. The limitations on the expenditure of portions of grants for the compensation of personnel in subsection (d) of section 301 of this title shall apply to a grant under such paragraph. Effective July 1, 1972, at least 40 per centum of the non-Federal funding of the cost of any program or project to be funded by a grant under such paragraph shall be of money appropriated in the aggregate, by State or individual unit of government, for the purpose of the shared funding of such programs or projects.

"(b) If the Administration determines, on the basis of information available to it during any fiscal year, that a portion of the funds allocated to a State for that fiscal year for grants to the State planning agency of the State will not be required by the State, or that the State will be unable to qualify to receive any portion of the funds under the requirements of this part, that portion shall be available for reallocation to other States under paragraph (1) of subsection (a) of this section."

TRAINING, EDUCATION, RESEARCH, DEMONSTRATION, AND SPECIAL GRANTS

SEC. 5. Part D of title I of the Omnibus Crime Control and Safe Streets Act of 1968 is amended as follows:

(1) Section 406 is amended—

(A) by striking "in areas directly related to law enforcement or preparing for employment in law enforcement" in the first sentence of subsection (b) and inserting in lieu thereof "in areas related to law enforcement or suitable for persons employed in law enforcement";

(B) by striking out "tuition and fees" in the first sentence of subsection (c) and inserting in lieu thereof "tuition, books and fees"; and

(C) by inserting at the end thereof the following new subsections:

"(d) Full-time teachers or persons preparing for careers as full-time teachers of courses related to law enforcement or suitable for persons employed in law enforcement, in institutions of higher education which are eligible to receive funds under this section, shall be eligible to receive assistance under subsections (b) and (c) of this section as determined under regulations of the Administration.

"(e) The Administration is authorized to make grants to or enter into contracts with institutions of higher education, or combinations of such institutions, to assist them in planning, developing, strengthening, improving, or carrying out programs or projects for the development or demonstration of improved methods of law enforcement education, including—

"(1) planning for the development or expansion of undergraduate or graduate programs in law enforcement;

"(2) education and training of faculty members;

"(3) strengthening the law enforcement aspects of courses leading to an undergraduate, graduate, or professional degree; and

"(4) research into, and development of, methods of educating students or faculty, including the preparation of teaching materials and the planning of curriculums.

The amount of a grant or contract may be up to 75 per centum of the total cost of programs and projects for which a grant or contract is made.

"(f) The Administration is authorized to enter into contracts to make, and make, payments to institutions of higher education for grants not exceeding $50 per week to persons enrolled on a full-time basis in undergraduate or graduate degree programs who are accepted for and serve in full-time internships in law enforcement agencies for not less than eight weeks during any summer recess or for any entire quarter or semester on leave from the degree program."

(2) Part D is further amended by inserting after section 406 the following new sections:

"SEC. 407. The Administration is authorized to develop and support regional and national training programs, workshops, and seminars to instruct State and local law enforcement personnel in improved methods of crime prevention and reduction and enforcement of the criminal law. Such training activities shall be designed to supplement and improve, rather than supplant, the training activities of the State and units of general local government, and shall not duplicate the activities of the Federal Bureau of Investigation under section 404 of this title."

"SEC. 408. (a) The Administration is authorized to establish and support a training program for prosecuting attorneys from State and local offices engaged in the prosecution of organized crime. The program shall be designed to develop new or improved approaches, techniques, systems, manuals, and devices to strengthen prosecutive capabilities against organized crime.

"(b) While participating in the training program or traveling in connection with participation in the training program, State and local personnel shall be allowed travel expenses and a per diem allowance in the same manner as prescribed under section 5703(b) of title 5, United States Code, for persons employed intermittently in the Government service.

"(c) The cost of training State and local personnel under this section shall be provided out of funds appropriated to the Administration for the purpose of such training."

GRANTS FOR CORRECTIONAL INSTITUTIONS AND FACILITIES

SEC. 6. (a) Title I of the Omnibus Crime Control and Safe Streets Act of 1968 is amended by inserting immediately after part D the following:

"PART E—GRANTS FOR CORRECTIONAL INSTITUTIONS AND FACILITIES

"SEC. 451. It is the purpose of this part to encourage States and units of general local government to develop and implement programs and projects for the construction, acquisition, and renovation of correctional institutions and facilities, and for the improvement of correctional programs and practices.

"SEC. 452. A State desiring to receive a grant under this part for any fiscal year shall, consistent with the basic criteria which the Administration establishes under section 454 of this title, incorporate its application for such grant in the comprehensive State plan submitted to the Administration for that fiscal year in accordance with section 302 of this title.

"SEC. 453. The Administration is authorized to make a grant under this part to a State planning agency if the application incorporated in the comprehensive State plan—

"(1) sets forth a comprehensive statewide program for the construction, acquisition, or renovation of correctional institutions and facilities in the State and the improvement of correctional programs and practices throughout the State;

"(2) provides satisfactory assurances that the control of the funds and title to property derived therefrom shall be in a public agency for the uses and purposes provided in this part and that a public agency will administer those funds and that property;

"(3) provides satisfactory assurances that the availability of funds under this part shall not reduce the amount of funds under part C of this title which a State would, in the absence of funds under this part, allocate for purposes of this part;

"(4) provides satisfactory emphasis on the development and operation of community-based correctional facilities and programs, including diagnostic services, halfway houses, probation, and other supervisory release programs for preadjudication and postadjudication referral of delinquents, youthful offenders, and first offenders, and community-oriented programs for the supervision of parolees;

"(5) provides for advanced techniques in the design of institutions and facilities;

"(6) provides, where feasible and desirable, for the sharing of correctional institutions and facilities on a regional basis;

"(7) provides satisfactory assurances that the personnel standards and programs of the institutions and facilities will reflect advanced practices;

"(8) provides satisfactory assurances that the State is engaging in projects and programs to improve the recruiting, organization, training, and education of personnel employed in correctional activities, including those of probation, parole, and rehabilitation; and

"(9) complies with the same requirements established for comprehensive State plans under paragraphs (1), (3), (4), (5), (7), (8), (9), (10), (11) and (12) of section 303 of this title.

"SEC. 454. The Administration shall, after consultation with the Federal Bureau of Prisons, by regulation prescribe basic criteria for applicants and grantees under this part.

"SEC. 455. (a) The funds appropriated each fiscal year to make grants under this part shall be allocated by the Administration as follows:

"(1) Fifty per centum of the funds shall be available for grants to State planning agencies.

"(2) The remaining fifty per centum of the funds may be made available, as the Administration may determine, to State planning agencies, units of general local government, or combinations of such units, according to the criteria and on the terms and conditions the Administration determines consistent with this part.

Any grant made from funds available under this part may be up to 75 per centum of the cost of the program or project for which such grant is made. No funds awarded under this part may be used for land acquisition.

"(b) If the Administration determines, on the basis of information available to it during any fiscal year, that a portion of the funds granted to an applicant for that fiscal year will not be required by the applicant or will become available by virtue of the application of the provisions of section 509 of this title, that portion shall be available for reallocation under paragraph (2) of subsection (a) of this section."

(b) Section 601 of such Act is amended by inserting at the end thereof the following new subsection:

"(l) The term 'correctional institution or facility' means any place for the confinement or rehabilitation of juvenile offenders or individuals charged with or convicted of criminal offenses."

(c) Part E and part F of title I of such Act are redesignated as part F and part G, respectively.

ADMINISTRATIVE PROVISIONS

SEC. 7. Part F of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (as redesignated by section 6(c) of this Act) is amended as follows:

(1) Section 505 is amended by striking "section 5315" and inserting "section 5314" and by striking "(90)" and inserting "(55)".

(2) Section 506 is amended by striking "section 5316" and inserting "section 5315" and by striking "(126)" and inserting "(90)".

(3) Section 508 is amended by inserting the following before the period at the end of the section: ", and to receive and utilize, for the purposes of this title, property donated or transferred for the purposes of testing by any other Federal agencies, States, units of general local government, public or private agencies or organizations, institutions of higher education, or individuals."

(4) Section 515 is amended by inserting at the end thereof the following new sentence: "Funds appropriated for the purposes of this section may be expended by grant or contract, as the Administration may determine to be appropriate."

(5) Section 516(a) is amended by striking out the period and inserting in lieu thereof the following: ", and may be used to pay the transportation and subsistence expenses of persons attending conferences or other assemblages notwithstanding the provisions of the Joint Resolution entitled 'Joint Resolution to prohibit expenditure of any moneys for housing, feeding, or transporting conventions or meetings', approved February 2, 1935 (31 U.S.C. sec. 551)."

(6) Section 517 is amended to read as follows:

"SEC. 517. (a) The Administration may procure the services of experts and consultants in accordance with section 3109 of title 5, United States Code, at rates of compensation for individuals not to exceed the daily equivalent of the rate authorized for GS–18 by section 5332 of title 5, United States Code.

"(b) The Administration is authorized to appoint, without regard to the civil service laws, technical or other advisory committees to advise the Administration with respect to the administration of this title as it deems necessary. Members of those committees not otherwise in the employ of the United States, while engaged in advising the Administration or attending meetings of the committees, shall be compensated at rates to be fixed by the Administration but not to exceed the daily equivalent of the rate authorized for GS–18 by section 5332 of title 5 of the United States Code and while away from home or regular place of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of such title 5 for persons in the Government service employed intermittently."

(7) Section 519 is amended to read as follows:

"SEC. 519. (a) On or before December 31 of each year, the Administration shall report to the President and to the Congress on activities pursuant to the provisions of this title during the preceding fiscal year.

"(b) Not later than May 1, 1971, the Administration shall submit to the President and to the Congress recommendations for legislation to assist in the purposes of this title with respect to promoting the integrity and accuracy of criminal justice data collection, processing, and dissemination systems funded in whole or in part by the Federal Government, and protecting the constitutional rights of all persons covered or affected by such systems."

(8) Section 520 is amended to read as follows:

"SEC. 520. There is authorized to be appropriated $650,000,000 for the fiscal year ending June 30, 1971, of which $120,000,000 shall be for the purposes of part E; $1,150,000,000 for the fiscal year ending June 30, 1972, and $1,750,000,000 for the fiscal year ending June 30, 1973. Funds appropriated for any fiscal year may remain available for obligation until expended. Beginning in the fiscal year ending June 30, 1972, and in each fiscal year thereafter there shall be allocated for the purposes of part E an amount equal to not less than 20 per centum of the amount allocated for the purposes of part C."

(9) Section 521 is amended by inserting at the end thereof the following new subsection:

"(c) The provisions of this section shall apply to all recipients of assistance under this Act, whether by direct grant or contract from the Administration or by subgrant or subcontract from primary grantees or contractors of the Administration."

SEC. 8. (a) Section 5314 of title 5, United States Code, is amended by striking "(1) Deputy Attorney General," and renumbering "(2)" through "(54)" respectively "(1)" through "(53)".

(b) Section 5313 of title 5, United States Code, is amended by adding at the end thereof "(20) Deputy Attorney General."

DEFINITIONS

SEC. 9. Section 601 of the Omnibus Crime Control and Safe Streets Act of 1968 is amended to read as follows:

"(1) Subsection (a) is amended to read as follows: 'Law enforcement' means any activity pertaining to crime prevention, control or reduction or the enforcement of the criminal law, including, but not limited to police efforts to prevent, control, or reduce crime or to apprehend criminals, activities of courts having criminal jurisdiction and related agencies, activities of corrections, probation, or parole authorities, and programs relating to the prevention, control, or reduction of juvenile delinquency or narcotic addiction."

(2) Subsection (d) is amended by striking out "or" the second place it appears and by striking out the period and inserting in lieu thereof the following: ", or, for the purpose of assistance eligibility, any agency of the District of Columbia government or the

United States Government performing law enforcement functions in and for the District of Columbia and funds appropriated by the Congress for the activities of such agencies may be used to provide the non-Federal share of the cost of programs or projects funded under this title; provided, however, that such assistance eligibility of any agency of the United States Government shall be for the sole purpose of facilitating the transfer of criminal jurisdiction from the United States District Court for the District of Columbia to the Superior Court of the District of Columbia pursuant to the District of Columbia Court Reform and Criminal Procedure Act of 1970."

SEC. 10. Title I of the Omnibus Crime Control and Safe Streets Act of 1968 is amended by inserting immediately after part G (as redesignated by section 6(c) of this Act) the following:

"PART H—CRIMINAL PENALTIES

"SEC. 651. Whoever embezzles, willfully misapplies, steals, or obtains by fraud any funds, assets, or property which are the subject of a grant or contract or other form of assistance pursuant to this title, whether received directly or indirectly from the Administration, shall be fined not more than $10,000 or imprisoned for not more than five years, or both.

"SEC. 652. Whoever knowingly and willfully falsifies, conceals, or covers up by trick, scheme, or device, any material fact in any application for assistance submitted pursuant to this title or in any records required to be maintained pursuant to this title shall be subject to prosecution under the provisions of section 1001 of title 18, United States Code.

"SEC. 653. Any law enforcement program or project underwritten, in whole or in part, by any grant, or contract or other form of assistance pursuant to this title, whether received directly or indirectly from the Administration, shall be subject to the provisions of section 371 of title 18, United States Code."

SEC. 11. Section 5108(c) of title 5 of the United States Code is amended by inserting at the end thereof the following new paragraph:

"(10) the Law Enforcement Assistance Administration may place a total of twenty positions in GS–16, 17, and 18."

SEC. 12. Title I of the Omnibus Crime Control and Safe Streets Act of 1968 is amended by inserting after part H (as designated by section 10 of this Act) the following new part:

PART I—ATTORNEY GENERAL'S ANNUAL REPORT ON FEDERAL LAW ENFORCEMENT AND CRIMINAL JUSTICE ACTIVITIES

SEC. 670. The Attorney General, in consultation with the appropriate officials in the agencies involved, within 90 days of the end of each fiscal year shall submit to the President and to the Congress an Annual Report on Federal Law Enforcement and Criminal Justice Assistance Activities setting forth the programs conducted, expenditures made, results achieved, plans developed, and problems discovered in the operations and coordination of the various federal assistance programs relating to crime prevention and control, including, but not limited to, the Juvenile Delinquency Prevention and Control Act of 1968, the Narcotics Addict Rehabilitation Act 1968, the Gun Control Act 1968, the Criminal Justice Act of 1964, title XI of the Organized Crime Control Act of 1970 (relating to the regulation of explosives), and title III of the Omnibus Crime Control and Safe Streets Act of 1968 (relating to wiretapping and electronic surveillance).

TITLE II—STRICTER SENTENCES

SEC. . This title may be cited as the "Stricter Sentencing Amendment of 1970".

SEC. 13. Section 924(c) of title 18, United States Code, is amended to read as follows:

"(c) Whoever—

"(1) uses a firearm to commit any felony for which he may be prosecuted in a court of the United States, or

"(2) carries a firearm unlawfully during the commission of any felony for which he may be prosecuted in a court of the United States,

shall, in addition to the punishment provided for the commission of such felony, be sentenced to a term of imprisonment for not less than one year nor more than ten years. In the case of his second or subsequent conviction under this subsection, such person shall be sentenced to a term of imprisonment for not less than two nor more than twenty-five years and, notwithstanding any other provision of law, the court shall not suspend the sentence in the case of a second or subsequent conviction of such person or give him a probationary sentence, nor shall the term of imprisonment imposed under this subsection run concurrently with any term of imprisonment imposed for the commission of such felony."

TITLE III—CRIMINAL APPEALS

SEC. 14. (a) Section 3731 of title 18, United States Code, is amended—

(1) by striking out the first eight paragraphs and inserting in lieu thereof the following:

"In a criminal case an appeal by the United States shall lie to a court of appeals from a decision, judgment, or order of a district court dismissing an indictment or information as to any one or more counts, except that no appeal shall lie where the double jeopardy clause of the United States Constitution prohibits further prosecution.

"An appeal by the United States shall lie to a court of appeals from a decision or order of a district courts suppressing or excluding evidence or requiring the return of seized property in a criminal proceeding, not made after the defendant has been put in jeopardy and before the verdict or finding on an indictment or information, if the United States attorney certifies to the district court that the appeal is not taken for purpose of delay and that the evidence is a substantial proof of a fact material in the proceeding.";

(2) by striking out the word "or" in the ninth paragraph and inserting in lieu thereof a comma, and inserting "or order" following the word "judgment" in the same paragraph;

(3) by striking out the last two paragraphs and inserting in lieu thereof a new paragraph as follows:

"The provisions of this section shall be liberally construed to effectuate its purposes."

(b) The amendments made by this section shall not apply with respect to any criminal case begun in any district court before the effective date of this section.

TITLE IV—PROTECTION OF MEMBERS OF CONGRESS

SEC. 15. Part I of title 18 of the United States Code is amended by inserting, immediately after chapter 17, a new chapter as follows:

"Chapter 18.—CONGRESSIONAL ASSASSINATION, KIDNAPING, AND ASSAULT

"Sec.

"351. Congressional assassination, kidnaping, and assault; penalties.

"§ 351. Congressional assassination, kidnaping, and assault; penalties

"(a) Whoever kills any individual who is a Member of Congress or a Member-of-Congress-elect shall be punished as provided by sections 1111 and 1112 of this title.

"(b) Whoever kidnaps any individual designated in subsection (a) of this section shall be punished (1) by imprisonment for any term of years or for life, or (2) by death or imprisonment for any term of years or for life, if death results to such individual.

"(c) Whoever attempts to kill or kidnap any individual designated in subsection (a) of this section shall be punished by imprisonment for any term of years or for life.

"(d) If two or more persons conspire to kill or kidnap any individual designated in subsection (a) of this section and one or more of such persons do any act to effect the object of the conspiracy, each shall be punished (1) by imprisonment for any term of years or for life, or (2) by death or imprisonment for any term of years or for life, if death results to such individual.

"(e) Whoever assaults any person designated in subsection (a) of this section shall be fined not more than $5,000, or imprisoned not more than one year, or both; and if personal injury results, shall be fined not more than $10,000, or imprisoned for not more than ten years, or both.

"(f) If Federal investigative or prosecutive jurisdiction is asserted for a violation of this section, such assertion shall suspend the exercise of jurisdiction by a State or local authority, under any applicable State or local law, until Federal action is terminated.

"(g) Violations of this section shall be investigated by the Federal Bureau of Investigation. Assistance may be requested from any Federal, State, or local agency, including the Army, Navy, and Air Force, any statute, rule, or regulation to the contrary notwithstanding."

SEC. 16. Paragraph (c), subsection (1), section 2516, title 18, United States Code, is amended by striking the word "or" in the last phrase of the subsection and inserting at the end thereof between the parenthesis and the semicolon "or section 351 (violations with respect to congressional assassination, kidnapping, and assault)".

SEC. 17. The table of contents to part I of title 18, United States Code, is amended by inserting after the following chapter reference:

"17. Coins and currency..... 331"

a new chapter reference as follows:

"18. Congressional assassination, kidnapping, and assault..... 351".

TITLE V—PROTECTION OF THE PRESIDENT

SEC. 18. Title 18, United States Code, is amended by adding the following new section after section 1751:

"§ 1752. Temporary residence of the President

(a) It shall be unlawful for any person or group of persons—

"(1) willfully and knowingly to enter or remain in

"(i) any building or grounds designated by the Secretary of the Treasury as temporary residences of the President or as temporary offices of the President and his staff, or

"(ii) any posted, cordoned off, or otherwise restricted area of a building or grounds where the President is or will be temporarily visiting,

in violation of the regulations governing ingress or egress thereto:

"(2) with intent to impede or disrupt the orderly conduct of Government business or official functions, to engage in disorderly or disruptive conduct in, or within such proximity to, any building or grounds designated in paragraph (1) when, or so that, such conduct, in fact, impedes or disrupts the orderly conduct of Government business or official functions;

"(3) willfully and knowingly to obstruct or impede ingress or egress to or from any building, grounds, or area designated or enumerated in paragraph (1); or

"(4) willfully and knowingly to engage in any act of physical violence against any person or property in any building, grounds, or area designated or enumerated in paragraph (1).

"(b) Violation of this section, and attempts or conspiracies to commit such violations, shall be punishable by a fine not exceeding $500 or imprisonment not exceeding six months, or both.

"(c) Violation of this section, and attempts or conspiracies to commit such violations, shall be prosecuted by the United States attorney in the Federal district court having jurisdiction of the place where the offense occurred.

"(d) The Secretary of the Treasury is authorized—

"(1) to designate by regulations the buildings and grounds which constitute the temporary residences of the President and the temporary offices of the President and his staff, and

"(2) to prescribe regulations governing ingress or egress to such buildings and grounds and to posted, cordoned off, or otherwise restricted areas where the President is or will be temporarily visiting.

"(e) None of the laws of the United States or of the several States and the District of Columbia shall be superseded by this section."

SEC. 19. Section 3056, title 16, United States Code, is amended by designating the present paragraph as "(a)" and adding a new paragraph at the end thereof as follows:

"(b) Whoever knowingly and willfully obstructs, resists, or interferes with an agent of the United States Secret Service engaged in the performance of the protective functions authorized by this section, by the Act of June 6, 1968 (82 Stat. 170), or by section 1752 of title 18, United States Code, shall be fined not more than $300 or imprisoned not more than one year, or both."

TITLE VI—WIRETAP COMMISSION

SEC. 20. (a) Title III of the Omnibus Crime Control and Safe Streets Act of 1968 (82 Stat. 211) is amended by striking subsection (g) of section 804 and inserting the following:

"(g) (1) The Commission or any duly authorized subcommittee or member thereof may, for the purpose of carrying out the provisions of this title, hold such hearings. sit and act at such times and places, administer such oaths, and require by subpena or otherwise the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers and documents as the Commission or such subcommittee or member may deem advisable. Any member of the Commission may administer oaths or affirmations to witnesses appearing before the Commission or before such subcommittee or member. Subpenas may be issued under the signature of the Chairman or any duly designated member of the Commission, and may be served by any person designated by the Chairman or such member.

"(2) In the case of contumacy or refusal to obey a subpena issued under subsection (1) by any person who resides, is found, or transacts business within the jurisdiction of any district court of the United States, the district court, at the request of the Chairman of the Commission, shall have jurisdiction to issue to such person an order requiring such person to appear before the Commission or a subcommittee or member thereof, there to produce evidence if so ordered, or there to give testimony touching the matter under inquiry. Any failure of any such person to obey any such order of the court may be punished by the court as a contempt thereof.

"(3) The Commission shall be 'an agency of the United States' under subsection (1), section 6001, title 18, United States Code for the purpose of granting immunity to witnesses.

"(4) Each department, agency, and instrumentality of the executive branch of the Government, including independent agencies, is authorized and directed to furnish to the Commission, upon request made by the Chairman, on a reimbursable basis or otherwise, such statistical data, reports, and other information as the Commission deems necessary to carry out its functions under this title. The Chairman is further authorized to call upon the departments, agencies, and other offices of the several States, to furnish, on a reimbursable basis or otherwise, such statistical data, reports, and other information as the Commission deems necessary to carry out its functions under this title."

(b) Such title is further amended as follows:

(1) in subsection (h) of section 804, strike "one-year" and insert "two-year", and

(2) in subsection (k) of section 804, strike "six-year" and insert "fifth year".

(c) Section 1212 of the Organized Crime Control Act of 1970 is hereby repealed.

And the Senate agree to the same.

EMANUEL CELLER,
PETER W. RODINO, Jr.,
BYRON G. ROGERS,
WILLIAM M. MCCULLOCH,
RICHARD H. POFF,
Managers on the Part of the House.

JOHN L. MCCLELLAN,
SAM J. ERVIN, Jr.,
PHILIP A. HART,
JAMES O. EASTLAND,
EDWARD M. KENNEDY,
ROBERT C. BYRD,
ROMAN L. HRUSKA,
HUGH SCOTT,
STROM THURMOND,
MARLOW W. COOK,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 17825) to amend the Omnibus Crime Control and Safe Streets Act of 1968, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate struck out all of the House bill after the enacting clause and inserted a substitute amendment. The committee of conference has agreed to a substitute for both the House bill and the Senate amendment. Except for technical, clarifying, and conforming changes, the following statement explains the differences between the House bill and the substitute agreed to in conference.

SHORT TITLE

The House bill provided a short title of "Omnibus Crime Control and Safe Streets Act Amendments of 1970." The Senate amendment proposed the short title "Omnibus Crime Control Act of 1970." The conference substitute adopts the Senate amendment.

LAW ENFORCEMENT ASSISTANCE ADMINISTRATION

Under the House bill the three-man board system of administering LEAA was abolished and substituted in its place was a single Administrator empowered to determine policy as well as administrative matters. The posts of Associate Administrators were retained for persons who would serve as deputies to the Administrator.

The Senate amendment retained the triumvirate system but vested all administrative powers, including appointment and supervision of personnel, in the Administrator. Other functions, powers and duties were to be exercised by the Administrator with the concurrence of at least one of the Associate Administrators. The Senate version required, except for the present incumbents, that one of the two Associate Administrators be of a different political party than the President. The conference substitute adopts the Senate amendment.

PLANNING GRANTS

Waiver of planning grant "pass-through."—The Senate amendment contained a provision not in the House bill which authorized the Law Enforcement Assistance Administration (LEAA) to waive, in whole or in part, the requirement that State planning agencies make available to units of general local government at least 40 percent of funds granted for the establishment and operation of planning agencies. Under the Senate amendment, the LEAA waiver must be based upon a finding that this "pass-through" was inappropriate and that adherence to the requirement would not contribute to efficient development of the State plan. The conference substitute adopts the Senate amendment.

Disposition of planning funds.—The Senate amendment contained a provision not in the House bill which provided that State planning agencies in allocating planning funds must assure that major cities and counties within the State receive funds to develop comprehensive plans and coordinate functions at the local level. The conference substitute adopts the Senate amendment.

Planning grant matching requirement.—The Senate amendment contained a provision not in the House bill that repealed a limitation, only applicable where a State does not establish a planning agency, that Federal planning grants made directly to units of general local government shall not exceed 90 percent of the expenses of local planning. The conference substitute adopts the Senate amendment.

GRANTS FOR LAW ENFORCEMENT PURPOSES

Rental and leasing of buildings.—The House bill contained a provision authorizing grants to States for the rental and leasing, as well as the construction of buildings or other physical facilities. The Senate amendment does not contain this provision. The House provision would inadvertently have reduced the Federal share of the costs of renting or leasing. The conference substitute conforms to the Senate amendment.

Criminal Justice Coordinating Councils.—Both the House bill and the Senate amendment provided authorization to make grants for the establishment of Criminal Justice Coordinating Councils for units of general local government. The Senate amendment, however, limited such grants to units or combinations of units having a population of 250,000 or more. The conference substitute adopts the Senate amendment.

Community-based delinquent prevention.—The Senate amendment contained a provision not in the House bill which provided authorization to make grants for (a) community-based programs relating to (i) delinquent prevention and correction and (ii) guidance for potential repeat youthful offenders; and (b) expanded probationary programs. The conference substitute adopts the Senate amendment.

Federal share of program costs under bloc grants.—The Senate amendment contained a provision not in the House bill which authorized Federal grants in an amount up to 70 percent of the cost of certain law enforcement programs and projects. The conference substitute conforms to the Senate amendment except that such grants are permitted up to 75 percent of such program or project costs.

Waiver of matching requirements under bloc grants.—The Senate amendment contained a provision not in the House bill which permitted LEAA to waive matching requirements in the case of grants to Indian tribes and other aboriginal groups which

the Administration determined did not have sufficient funds to meet the local share of program costs. The conference substitute adopts the Senate amendment.

Amount and character of non-Federal matching requirements under bloc grants.—The Senate amendment contained a provision not in the House bill which required that, effective July 1, 1972, at least 50 percent of the non-Federal share of the funding of any program or project be from money appropriated in the aggregate by the State or local government for such program or project (as opposed to donated services or property). The conference substitute conforms to the Senate amendment except that the cash requirement is reduced to 40 percent.

Condition on LEAA approval of State plans.—The House bill contained a provision that required that approval of a State plan for law enforcement assistance must be based on a specific LEAA finding that the plan provided for the allocation of an adequate share of assistance to deal with law enforcement problems in areas of high crime incidence.

The Senate amendment provided that LEAA approval of a State plan must be based on a finding that the State's plan provided for the allocation of an adequate share of benefits of assistance to areas characterized by high law enforcement activity to deal with the special law enforcement problems of such areas. The conference substitute requires that no State plan shall be approved by LEAA unless it provides adequate assistance to areas characterized by both high crime incidence and high law enforcement activity, such as high number of arrests, congested court calendars and crowded correction facilities.

Percentage of Federal funds subject to "pass-through".—Under the House bill existing law was retained which required that at least 75 percent of Federal funds be made available by State planning agencies to units of general local government for law enforcement programs and projects. The Senate amendment contained a flexible "pass-through" formula which provided that each State shall make available to local units of government that portion of its bloc grant that corresponds to the portion of total statewide law enforcement expenditures for the preceding fiscal year which was funded and expended by local units. The conference substitute conforms to the Senate amendment except that institution of the "flexible formula" is deferred until July 1, 1972.

State contribution relating to funds "passed-through".—The House bill contained a provision not in the Senate amendment which required that the States provide at least one-fourth of the non-Federal funding required for federally assisted local law enforcement programs. The conference substitute conforms to the House bill except that the requirement of State contribution is deferred until July 1, 1972, and that such contribution is required to be on an aggregate rather than a project basis.

Reallocation of bloc grant funds.—The House bill contained provisions permitting bloc grant funds to be distributed as discretionary grants if (1) a State has failed to have a plan approved, either becuse it submitted no plan or because the plan submitted was unacceptable, (2) a State submitted an acceptable plan but filed to comply with the assurances given in the plan, the provisions of the Act, or administrative regulations, or (3) a State submitted an acceptable plan and was in compliance but failed to use or claim a portion of the funds. The Senate amendment provided that, in such instances, the funds be reallocated as bloc grants. The conference substitute conforms to the House bill in the first two instances and to the Senate amendment in the third instance.

Federal share of program costs under discretionary grants.—The House bill contained a provision permitting Federal grants up to 90 percent of program costs. The Senate amendment permitted Federal grants up to 70 percent of program costs. The conference substitute authorizes Federal grants up to 75 percent of program costs.

Waiver of matching requirements under discretionary grants.—The House bill contained a provision permitting Federal grants up to 100 percent of program costs if LEAA determined that the applicant was unable to provide sufficient funds. The Senate amendment permitted LEAA to waive percentage matching requirements only in the case of grants to Indian tribes or other aboriginal groups. The conference substitute adopts the Senate amendment.

Limitations on personnel compensation under discretionary grants.—The Senate amendment contained a provision not in the House bill which imposed on discretionary grants the same limitation applicable to bloc grants that not more than one-third of any discretionary grant may be expended for compensation of police and other law enforcement personnel. The conference substitute adopts the Senate amendment.

Amount and character of non-Federal matching requirements under discretionary grants.—The Senate amendment contained a provision not in the House bill which required that, effective July 1, 1972, at least 50 percent of the non-Federal share of the funding of any program or project be for money appropriated in the aggregate by the State or local government for such program or project (as opposed to donated services or property). The conference substitute conforms to the Senate amendment except the cash requirement is reduced to 40 percent.

TRAINING, EDUCATION, RESEARCH, DEMONSTRATION, AND SPECIAL GRANTS

Law enforcement internships.—The Senate amendment contained a provision not in the House bill which authorized the Law Enforcement Assistance Administration to make grants up to $50 per week to undergraduate and graduate students who serve at certain times in full-time internships in law enforcement agencies. The conference substitute adopts the Senate amendment.

Training program for organized crime prosecutors.—The Senate amendment contained a provision not in the House bill which authorized the Law Enforcement Assistance Administration to establish and conduct permanent training programs for prosecuting attorneys from State and local offices. The conference substitute provides that LEAA may establish and support such programs but does not provide that such training be established on a permanent basis.

GRANTS FOR CORRECTIONAL INSTITUTIONS AND FACILITIES

Application requirements.—The Senate amendment contained a provision not in the House bill which required that application for grants for the construction of correctional institutions or facilities provide satisfactory emphasis on the development and operation of community-based correctional facilities and programs. The conference substitute adopts the Senate amendment.

ADMINISTRATION PROVISIONS

Increase in salaries of Administrator and Associate Administrators.—The Senate amendment contained a provision not in the House bill which changed the salary of the Administrator of Law Enforcement Assistance Administration from Level IV of Executive Schedule ($38,000) to Level III of Executive Schedule ($40,000), and changed the salaries of Associate Administrators from level V of Executive Schedule ($36,000) to Level IV of Executive Schedule ($38,000). The conference substitute adopts the Senate amendment.

Authority to receive and use donated and transferred property.—The Senate amendment contained a provision not in the House bill which authorized LEAA to receive and use funds and property donated or transferred by other Federal agencies and public and private agencies and organizations. The conference substitute provides that LEAA may receive and use property such as experimental equipment and devices donated or transferred for testing purposes, but does not authorize the receipt of funds.

Legislative recommendations.—The Senate amendment contained a provision not in the House bill which required LEAA to submit to the President and the Congress not later than February 1, 1971, recommendations for legislation relating to Criminal Justice Data Collection. The conference substitute is identical to the Senate amendment except that the deadline for submitting such recommendations is set at May 1, 1971, and it makes clear that the recommendations should assist in the purposes of the Law Enforcement Assistance Program.

Authorization for and earmarking of appropriations.—The House bill authorized appropriations of up to $650 million for fiscal year 1971; $1 billion for fiscal year 1972, and $1.5 billion for fiscal year 1973. The House bill also provided that not less than 25 per centum of the amounts appropriated should be devoted to the purposes of corrections, including probation and parole.

The Senate amendment authorized appropriations up to $650 million for fiscal year 1971; $1.15 billion for fiscal year 1972, and $1.75 billion for fiscal year 1973. The Senate amendment further provided that of such funds, $100 million in fiscal year 1971; $150 million in 1972, and $250 million in fiscal 1973 should be used for the purposes of part E.

The conference substitute conforms to the Senate amendment except that beginning in the fiscal year ending June 30, 1972, and in each fiscal year thereafter, it provides that there shall be allocated for the purposes of part E (grants for correctional institutions and facilities) an amount equal to not less than 20 percent of the amount allocated for the purposes of part C.

DEFINITIONS

Law enforcement.—Under the House bill, the term "law enforcement" was redefined to mean all activities pertaining to the administration of criminal justice, including, but not limited to, police efforts to prevent crime and to apprehend criminals, activities of the criminal courts and related agencies, and activities of corrections, probation, and parole authorities. Under the Senate amendment such term is defined also to include programs relating to the prevention, control or reduction of juvenile delinquency or narcotics addiction. The conference substitute adopts the Senate amendment.

Definition of unit of general local government.—Both the House bill and the Senate amendment defined "unit of general local government" to include any agency of the District of Columbia Government performing law enforcement functions in and for the District of Columbia. The Senate amendment further included within the definition, for the purpose of assistance eligibility, any agency of the United States Government performing such functions in the District. The conference substitute conforms to the Senate amendment and makes clear that such assistance eligibility of any agency of the United States Government shall be for the sole purpose of facilitating the transfer of criminal jurisdiction under the District of Columbia Court Reform and Criminal Procedure Act of 1970.

CRIMINAL PENALTIES

The Senate amendment contained three provisions not in the House bill which provided penalties for embezzlement or theft,

and penalties for fraud and misrepresentation, and made applicable the Federal conspiracy statute to any law enforcement program or project underwritten by any grant or contract or other form of assistance by the Law Enforcement Assistance Administration. The conference substitute adopts the Senate amendment.

ATTORNEY GENERAL'S ANNUAL REPORT

The Senate amendment contained a provision not in the House bill which required that the Attorney General submit to the President and to the Congress an annual report on Federal Law Enforcement and Criminal Justice Assistance Activities, including, but not limited to activities under the Juvenile Delinquency Prevention and Control Act of 1968, the Narcotic Addiction Rehabilitation Act of 1968, and the Gun Control Act of 1968. The conference substitute conforms to the Senate amendment except that it provides that the annual report also include reference to the Criminal Justice Act of 1964, as amended, and Title XI of the Organized Crime Control Act of 1970 (relating to the Regulation of Explosives), and Title III of the Omnibus Crime Control and Safe Streets Act of 1968 (Wiretapping and Electronic Surveillance).

PERSONNEL

Supergrade positions.—The House bill authorized LEAA to place a total of 15 positions in grades GS–16, 17 and 18; the Senate amendment authorized 25 such positions. The conference substitute authorizes LEAA to place 20 such positions.

Increase in salary of Deputy Attorney General.—The Senate amendment contained a provision not in the House bill which changed the salary of the Deputy Attorney General from Level III of the Executive Schedule ($40,000) to Level II of the Executive Schedule ($42,500). The conference report adopts the Senate amendment.

AMENDMENT TO THE GUN CONTROL ACT OF 1968

The Senate amendment contained a provision not in the House bill amending a section of the Gun Control Act of 1968 that imposes additional penalties for the use of a firearm to commit, or for carriage of a firearm unlawfully during the commission of, a Federal felony. The Senate amendment reduced the minimum sentence for a second or subsequent offense from five to two years, and also provided that a sentence could not run concurrently with any sentence imposed for the underlying Federal felony. The conference substitute adopts the Senate amendment.

AMENDMENTS TO THE CRIMINAL APPEALS ACT

The Senate amendment contained provisions not in the House bill which amended the Criminal Appeals Act, section 3731 of title 18, United States Code, in the following significant respects:

1. Technical distinctions in pleadings as limitations on appeals by the United States were eliminated and in their place the Government was authorized to appeal any decision or order terminating a prosecution except an acquittal.

2. The Government's right to appeal orders suppressing evidence was extended to all criminal proceedings including probation revocation hearings.

3. Government appeals were required to be taken to a court of appeals unless the decision was based at least in part on a determination of the invalidity of an Act of Congress which, upon a district court order or the Attorney General's certification, could be taken directly to the Supreme Court.

4. A provision was included declaring that the Criminal Appeals Act should be liberally construed.

The conference substitute conforms to the Senate amendment except that it provides that an appeal by the United States shall lie to a court of appeals from a decision, judgment or order of a district court dismissing an indictment or information as to any one or more counts, but that no appeal shall lie in any case in which the Double Jeopardy Clause of the United States Constitution prohibits further prosecution. Although the conference substitute does not provide for direct appeal to the Supreme Court, it is recognized that under section 1254 of title 28, United States Code, cases in the courts of appeal may be reviewed by the Supreme Court directly. The conference substitute further provides that the amendments made to the Criminal Appeals Act herein shall not apply with respect to any criminal case begun in any district court before the effective date of the amendments.

PROTECTION OF THE PRESIDENT

The Senate amendment contained a provision not in the House bill amending chapter 84 of title 18, United States Code, which penalizes presidential assassination, kidnapping and assault. The Senate amendment establishes new Federal penalties for unauthorized entry into any building or the grounds thereof where the President is or may be temporarily residing. It also penalizes intentional disruption of the conduct of Government business or official functions in any such building or on such grounds. The conference substitute adopts the Senate amendment with the substitution of the term "attempts" for the term "endeavors."

PROTECTION OF MEMBERS OF CONGRESS

The Senate amendment contained a provision not in the House bill—adding a new chapter 18 to title 18, United States Code—making it a Federal offense to assassinate, kidnap or assault a Member of Congress or a Member-of-Congress-elect or to endeavor or to conspire to commit such offenses.

The conference substitute adopts the Senate amendment with the substitution of the term "attempts" for the term "endeavors."

WIRETAP COMMISSION

The Senate amendment contained a provision not in the House bill which reenacted provisions establishing the National Commission for the Review of Federal and State Laws Relating to Wiretapping and Electronic Surveillance which were repealed by the Organized Crime Control Act of 1970. The Senate amendment also amended the provisions relating to the commission by (1) conferring subpoena power on the commission, (2) extending for one year the period within which the commission is to make a final report, (3) making the establishment of the commission effective one year earlier (1973) than under existing law, and (4) defining the commission as an "agency" for purposes of granting immunity to witnesses under section 6001 of title 18, United States Code.

The conference substitute conforms to the Senate amendment.

EMANUEL CELLER,
PETER W. RODINO, Jr.,
BYRON G. ROGERS,
WILLIAM M. MCCULLOCH,
RICHARD H. POFF,
Managers on the Part of the House.

LOOKING BACK ON SPEAKER McCORMACK'S CAREER

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

Mr. BURKE of Massachusetts. Mr. Speaker, may I at this time bring to the attention of the U.S. Congress a very well written article that appeared in the Boston Sunday Herald, Sunday December 19, 1970 about our beloved Speaker the Honorable JOHN W. MCCORMACK, under the by-line of Ellen Beswick:

JOHN MCCORMACK'S CAREER

(By Ellen Beswick)

John McCormack campaigned first from the back of a peddler's wagon and didn't have enough money to mail his campaign literature. Today he looks back on a career in which he supported and advised six presidents and rose to the second most powerful job in the land.

"I was always a student of government. In South Boston we took our politics seriously, even as children."

Nearly 79 and only days away from retirement after a half century in government, house speaker John W. McCormack still takes his politics, his country, his religion and his fellow man very seriously.

When he reminisced in his Washington office last month during the election recess, the Dorchester Democrat was planning strategy to get the maximum amount of legislation out of a lame duck Congress before the end of the year.

McCormack, the Democrat, though not seeking re-election for the first time in 42 years, was also busy campaigning for his party on the national level with a barrage of statements critical of the administration, while issuing advice and encouragement long distance to his colleagues running in Massachusetts.

The Speaker had just returned to his office in the Capitol from the television press gallery where he had made TV and radio tapes exhorting voters not to listen to Republican "mud-slinging" in the 1970 election, but to examine the record of the Democratic Congress before voting.

John William McCormack has traveled a long road from his first exhortation to the voters from the back of a peddler's wagon, which carried him to the Massachusetts Constitutional Convention in 1917, through Campaign '70, when he spoke through the national media from the second highest office in the land.

He moved through two terms in the Massachusetts House and four in the Senate to go on in 1928 to the U.S. Congress. Twelve years later he was elected to the leadership of the House where he served as Majority Leader, Minority Whip and Speaker for the last 30 years.

It has taken age, and illness to his beloved wife, Harriet, plus demands for change, for faster action from a new, young breed of politician to bring an end to McCormack's career.

Perhaps, in later years, it will be shown that his leaving was a sign of the end of an era in American political development—a robust and turbulent era of which he was a master.

That he was a giant of that era there can be no doubt. The gentleman from Massachusetts embodied a strength of character, and a drive and ambition which carried him out of "Southie," where he had supported his mother and brothers from the age of 13, to a national office where he supported and advised six presidents. To a state and a nation famed for its statesmen and contributions to the Democratic process, John McCormack added another legend, another chapter. Where did it start?

"The most important day in my life was the day I got my library card," McCormack reminisced, leaning back in the black leather chair in the Speaker's office.

"It meant I could read some good books; before that all I could afford were five cent and dime novels.

"My favorites were the Horatio Alger stories. I guess you could call me a nut if you want to on Horatio Alger. He was a poor boy who worked hard and made good.

"Those books should be a must for all children. Mothers should make their children read them. They appeal to the constructive side, they build character. They made an impression on me." The white-haired Speaker

emphasized his point, gesturing with a cold cigar.

Another powerful force in his life, McCormack revealed, has been his Roman Catholic faith.

"I love my religion and respect all others," said the man who, along with his long-time friend, the late Richard Cardinal Cushing, has been furthering ecumenical understanding for years, long before it was popular to do so.

"I don't always know I'm right. I hope I'm right, but if I didn't have faith, I wouldn't have the confidence to make a contribution.

"What good am I if I don't have faith?" McCormack asked, and revealed that he was worried about the younger generation.

"The weakening of faith can bring on the disintegration of the nation. The strength or weakness of a nation depends on the strength of its familiy life and the faith of its people," he said.

The strength of the American nation has been an overriding concern for the man who served in one world war and helped lead the nation through another and through two Asian conflicts.

In 1926, McCormack, who was later to offer the resolution in Congress declaring war on Japan after the attack on Pearl Harbor, campaigned for Congress declaring the need "to strengthen our military forces and increase the effectiveness of our air service. I am not blind to the menacing possibilities in international politics."

John McCormack lost that election, the first and only one he lost, but he was in a position in September of 1959 to deny Soviet Premier Khrushchev the opportunity to speak before a joint session of Congress.

"He was in this country to address the United Nations and President Eisenhower had received him in the White House. The suggestion came down from the administration—we won't go into from whom—that the premier be invited to address a joint session," McCormack remembered.

"I pointed out that it would be the height of hypocrisy to have a man address the body whose avowed purpose was to destroy that body and the American nation," McCormack's voice boomed out and then softened. "We discussed it and Speaker (Sam) Rayburn agreed."

What the speaker didn't relate is well known on Capitol Hill.

The then Majority Leader McCormack had threatened to resign his leadership post, let someone else offer the resolution for unanimous consent to extend the invitation, and then oppose it.

The matter was dropped.

Speaker McCormack says he sees many parallels between the threat of Nazism and Fascism in the 1930s and the threat of Communism today.

McCormack, who spent long hours at the White House during the '30s and '40s playing poker with and acting as a sounding board for Presidents Roosevelt and Truman, related that "Roosevelt was frightened by the rise of Fascism in Europe and he was even more scared by the blindness of American people to the danger.

"The isolation sentiment during that time was intense. It's bad enough today, but it was more intense then. The 'America Firsters' were leading it. They thought they were right, but they had too much confidence," McCormack recalls.

"In the '30s we couldn't get enough money out of the Congress to fortify Guam. The bill failed by several votes and they called us 'warmongers.' The real warmongers were the appeasers, McCormack said, criticizing Britain's Prime Minister Neville Chamberlain for making a fatal error in Europe.

"If Churchill had been prime minister, Britain would have gone to the aid of Austria in the early years and stopped Hitler's invasion into Western Europe," McCormack said.

"There would have been no war in Western Europe if Britain had fulfilled its treaty obligations to Austria. Hitler would have turned east toward Russia. Can you imagine what that would mean, where we would be today?" he asked.

The isolation and appeasement policies were popular in the U.S., however, right up to Pearl Harbor, the Speaker commented.

"The Selective Service Act was to run out, and it was three months before the Japanese attack, though of course we didn't know it then.

"If we didn't get it extended those draftees would be sent home and then where would we have been? There were few enough of them as it was.

"It was unpopular and I had to lead the fight. It was hard work. It's not easy to line up and keep track of a majority of 435 members. Finally Speaker Rayburn and I thought we had the votes, though it was going to be close and we couldn't be sure. But I had a couple of votes I could produce if things got really bad. And there was always Speaker Rayburn to break a tie. But it turned out we didn't need him, the extension passed 203–202," the Speaker said.

McCormack, who has supported eight presidents, Republican and Democrat, unfailingly in the area of national defense, including the secret funding of the Manhattan project which developed the A-bomb, and the development of the nation's space program, maintains a strong defense posture today.

In conversation he returns frequently to warnings against the Communist regime which he advises is still bent on world domination.

"When we had Pearl Harbor, our main line of defense, the Atlantic remained untouchable. Today, with missiles, that would be the first line of attack. We wouldn't have a second chance."

"They're talking now about our first priorities being on the domestic level. It seems to me that America is our No. 1 priority, being sure that it is preserved."

McCormack, however, the product of a poverty-stricken Irish immigrant area, also had some domestic priorities of his own throughout his career.

Young John McCormack had become a man early in life, taking over the responsibility of his mother and two younger brothers at 13 years of age when his father died. He organized his brothers and developed an extensive paper route in South Boston which brought in $11 a week to support his family. McCormack later turned the paper route over to his younger brothers and went to work as an errand boy in Boston's financial district.

"The turning point in my life came when I was offered a delivery job in a law office. It meant a chance to read law, and I later passed the bar, but at the time the only reason I took it was because they offered me $4 a week, 50 cents more than I had been making in my old job."

He went on to marry Harriet Joyce, a budding operatic star and childhood friend from South Boston, in 1920, a union which passed the half century mark this year. McCormack has often credited Mrs. McCormack with sustaining him and making possible his years of service.

And it was undoubtedly his background which led him to endorse the other side of the coin in that 1926 campaign speech in which he held out for a stronger military.

"I will continue to fight for legislation to protect and better the lot of women and children in industry, low salaried public employes, all who labor, the sick and afflicted and to defend family life against invasion," the young McCormack told the voters.

One of his first fights along this line was his drive to enact federal legislation in the 1930s to benefit the charwomen working in federal buildings. He had succeeded in earlier years in the Massachusetts General Court in enacting state laws benefitting the scrubwomen, and he then worked in the Congress to bring the charwomen under civil service regulations, including set salaries and paid vacations.

From that point on he worked for much of the progressive legislation to come before the Congress, including wage and hour laws, extensions in Social Security, health programs and job safety regulations, and expanded education programs.

But the key to the Speaker's success and the success of the system was his rough and tumble talent for politics.

"Politics were engrained in us in South Boston. It was a natural thing for me to do," the Speaker recalled.

"When I was 12 and 13 I used to go around to all the rallies to listen to the candidates. When I got a little older I would go around and campaign for my friends. We used to travel through South Boston speaking from the back of a peddler's wagon.

"When I first ran for office—and mind I didn't run until I thought I had a 50–50 chance of winning—I didn't have enough money to buy stamps to put on my circulars. I had friends deliver them and sometimes I'd find a batch in a trash can.

"Hell is full of good intentions, but it was hard, cold work delivering those circulars," he chuckled.

"Now I suppose it's costing about $100,000 to succeed me.

"This is a serious threat to our representative government. Either it becomes a wealthy man's field or an area where your candidates are subsidized by vested interests. I think it's vitally important to maintain a cross-section of American life in the Congress," McCormack continued, his voice booming through the Speaker's chambers.

It's not a voice that is heard extensively on the floor these days, where the Speaker must remain a silent advocate, but it has been reported that when Alben Barkley left the House for the vice presidency Speaker Rayburn complained that the only great debater he had left was Majority Leader McCormack.

The Speaker, who desipte the lack of stamps, was elected and re-elected to the U.S. House of Representatives 21 times, said he advocated making campaign contributions of $50 to $100 deductible on income tax.

"There ought to be an opportunity for citizens to make a reasonable contribution to their candidate and party," McCormack said. "We would have to make it a small amount though or it could be used as a means of tax evasion or for buying a favorable government.

"Then too, we can't afford to lose too much in tax dollars," the former member of the Ways and Means Committee said.

The "firey young Irishman from Boston," as he was known in those days, managed to get himself appointed to that prestigious committee not long after he reached the capital in 1928 and he mastered its intricacies to the point where four years after he came to Congress he got the Massachusetts clam added to a list of pork barrel exemptions from the federal sales tax.

It was a small beginning, and there are probably better illustrations, forgotten now, but it showed that John McCormack had the dedication and the talent and had mastered the craft that was to establish him in the leadership of his party and the Congress for 30 years, more than 20 as Majority Leader and Minority Whip, and eight and a half years in what is considered the second most powerful office in the land, the speakership of the House of Representatives.

"Friendship is the key," McCormack explained, "but it has to be a two-way street. You have to be willing to pay back the favors. It's detected here very quickly if you aren't.

"When I was first elected to the Massachusetts Senate, we were five Democrats out of 40 members. We could hold our party caucus in a phone booth.

"That was in 1923. Then in 1925, we had a 20 per cent increase, we elected six Democrats and they made me party leader.

"I had a very friendly relationship with the Republicans. I helped them and when I wanted a state cancer hospital the Republican leadership put it across for me. That's the Pondville Hospital in Massachusetts and it's still operating."

McCormack remembers that he labored long and hard to get the hospital started, even finding an unused veterans hospital left over from World War I which could be remodeled and used.

"We didn't need much to get it started: You see once we got it approved they would have to appropriate money every year and it could go on forever. That's the way it works."

But it was nearing the end of the year and the budget, McCormack related, and the Senate had passed two bills, his bill and one for funds for a monument for the boys who died at St. Mihiel.

"Governor (Alvan) Fuller sent both bills back to the Senate and told the Republican leadership that he only had the money for one. But he didn't want to veto either one—that would have been very unpopular. So he told them to bring up both bills again and defeat one. Fuller said he'd prefer to sign the one for St. Mihiel, but he'd sign whichever one we sent up.

"So we had a caucus of both parties—the Republicans didn't have to invite us, but as I said, we were friends. The Majority leader, Bill Weld, explained the situation, and he knew how much I wanted that hospital so he turned to me, and asked 'John, what have you got to say about it?'

"I told them—I think if we could get a message from the great beyond, from the boys who died at St. Mihiel, in the present situation they would say, 'Our suffering and pain are over, take care of the living sick. You can take care of us later.'

"And that's just what we did."

John McCormack carried his tactical talents to the U.S. Congress where earlier this year his fellow colleagues, nearly half of them newcomers to the Congress to whom the speaker had administered the oath of office, praised him as a true and loyal friend; a master legislator, an expert at compromise.

Over and over members praised the Massachusetts leader:

"I have never known John McCormack to vote against a measure just because it didn't benefit his district; he has supported us through the years on the farm bills", from a Midwestern congressman.

"He has helped me and my constituents by his magnanimous efforts to relieve problems, both large and small that were affecting the people of California," from a Western colleague.

"John McCormack has tended to knit together all portions of the nation. He has undertaken to join the North and the South to keep together the East and West," from a Southern congressman.

"When the major issues were at stake John McCormack never shuuned a battle and never lost one . . . The Speaker is today the preeminent legislator of the world," from House Minority Leader Gerald Ford of Michigan.

"I have a particularly clear memory of the Speaker's first words of advice for me, when I entered the Congress," Rep. Peter Kyros, D-Maine, said.

"Make friends, the Speaker told me."

And there were other elements.

"He was always fair. He never twisted your arm to vote for something if it was against your conscience. He'd argue with you, but he wouldn't pressure you," from a former Alabama congressman.

"He has always been an impartial Speaker. He has never held up legislation just because he was against it," from a current colleague.

"If John McCormack promises something, you know he will deliver," another added.

John McCormack also had a reputation as a strong speaker and a good debater on the issues, but he made a point of avoiding personalities and as a result he rarely made an enemy.

And he was noted for his devotion to his constituents. It has been said that John McCormack never turned away anyone from his office if he could help them. The people for whom McCormack has gotten jobs in the capital are reported to run into the thousands.

"I never took a penny from anyone I got a job for," McCormack advised. "I'd always tell them, you take that home and give it to your wife for something in the home.

"I never wanted anyone to have a noose around my neck. I didn't want to be paid. But don't you print that, young lady, it's not modest for me to be saying it."

My apologies, Mr. Speaker. You can't censor a legend.

Toward the end of one of the afternoons spent going over past events the conversation was interrupted by a call from an aide in the outside office, obviously informing the Speaker that someone wanted to see him.

"Yes, yes. Tell him to wait. I'll see him. I'll see anybody. This is a democracy, thank God."

A CRY FOR A SINE DIE ADJOURNMENT

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

Mr. HALL. Mr. Speaker, I for one, am becoming weary of paddling the ship of state, while the other body of Congress chooses to play the role of coxswain.

Although, in my judgment, the House has not always acted in a responsible way during this session, we have, at least, gone about our work and disposed of the peoples' business as we were so constituted to do. However, it does take two to tango, and the other body of Congress not only refuses to dance, but wants to be the orchestra. I think they have "fiddled" long enough.

They have spent weeks judging judges while important anticrime legislation awaited enactment.

They have spent weeks after the fact and when the question was moot, attempting to tie the President's hands in Southeast Asia, while the government of Hanoi smiled encouragement.

They have spent weeks dilly-dallying with the ABM and our Nation's defenses, while the Russians have continued to build up theirs.

All the while they have polluted the air with so much rhetoric, that one is led to believe that they have fallen in love with the sound of their own voices.

In fact, never have so few, said so much, and seemingly accomplished so little.

I think it is high time that the House of Representatives dropped the anchor on this kind of carrying on and closed up shop.

If our colleagues on the other side of the rotunda desire to continue their charades, let them. But let us not sit tacitly by and acquiesce. Let us complete the essential business before us and adjourn, sine die.

The Nation will be the better for our action.

FAIR CAMPAIGN PRACTICES

The SPEAKER pro tempore (Mr. BOGGS). Under previous order of the House, the gentleman from New York (Mr. MURPHY) is recognized for 60 minutes.

GENERAL LEAVE TO EXTEND REMARKS

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to include their remarks pertinent to the special order we are entering into at this time.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. MURPHY of New York. Mr. Speaker, "There are basic principles of decency, honesty, and fair play which every candidate for public office in the United States has a moral obligation to observe and uphold, in order that after vigorously contested but fairly conducted campaigns, our citizens may exercise their constitutional right to a free and untrammeled choice and the will of the people may be fully and clearly expressed on the issues before the country."

The foregoing is the preamble to the Code of Fair Campaign Practices, a code developed to raise the ethical level of political campaigning in order to better serve the American people during an election. Candidates for public office are invited to sign the code voluntarily, and to abide by its precepts.

The Code was developed during the course of Senate consideration of campaign practices in the early 1950's.

The general election of 1950 was considered by many observers to be one of the "dirtiest" in our history, and reaction in the Congress followed. A Senate subcommittee studied proposals to raise ethical standards in the Federal Government, and the Senate Subcommittee on Elections addressed itself to the specific problem of developing standards for political campaigns.

Both subcommittees recommended the establishment of some sort of citizens elections commission, but recognized that legislating specific rules for campaigns would be close to impossible. In the report of the hearings, Senator Gillette said:

To be realistic, one must recognize that "fair comment" is so broad under our American freedom of speech and freedom of the press that it encompasses many abuses. Surely the fine line separating fair comment and libelous defamation in campaign material is not easily drawn.

The subcommittee thus declined to report specific legislation to promote fair campaign practices, but interest in the

Code which had emerged during the hearings grew.

The campaign of 1952 underscored the need for some mechanism to raise campaign standards, and in 1954 a distinguished group of citizens formed the Fair Campaign Practices Committee. The committee is a private, nonprofit, nonpartisan organization and is the only national organization of its kind.

The committee adopted a code of fair campaign practices based on the recommendations of Senator Gillette's subcommittee, gained the support of both national committees, and asked every candidate for Congress to join in signing the code.

It has done so in every general election since then.

The code of fair campaign practices states in part:

I shall conduct my campaign in the best American tradition, discussing the issues as I see them, presenting my record and policies with sincerity and frankness, and criticizing without fear or favor the record and policies of my opponent . . . which merit criticism . . .

I shall condemn the use of personal vilification, character defamation, whispering campaigns, libel, slander, or scurrilous attacks on any candidate or his personal or family life . . .

I shall condemn the use of campaign material of any sort which misrepresents, distorts, or otherwise falsifies the facts regarding any candidate

I shall condemn any appeal to prejudices based on race, creed, or national origin . . .

I shall condemn any dishonest or unethical practice which tends to corrupt or undermine our American System of free elections . . .

I shall immediately and publicly repudiate support deriving from any individual or group which resorts to the methods and tactics which I condemn.

During the recently concluded campaign of 1970, I had occasion to put the Fair Campaign Practices Committee and its code to the test and in many respects they proved a success. In others, they failed to realize their full potential as a force for raising ethical standards and fostering fair campaign practices.

On September 25, a political advertisement, paid for by the Republican-Conservative Coalition for Buckley and Smith, appeared in a Brooklyn weekly newspaper. Prominently displayed were the names of David Smith—my opponent—and James Buckley—candidate for Senate. The advertisement consisted of five boldface paragraphs, all of which contained innuendo, distortion, or outright falsehood. The ad misrepresented my voting and attendance records, and distorted my position on the forced busing of schoolchildren. It contains personal vilification and defamatory language.

On the same day, similarly false information about my voting and attendance records appeared in a Staten Island daily newspaper within the text of what was meant to appear as a column written by my opponent, David Smith. Ironically, the figures used to misrepresent my record were different from those appearing in the ad in the Brooklyn newspaper.

I immediately wrote to Mr. Smith stating that the advertising in both papers was offensive to me, that it contained falsehood, inaccuracy, and innuendo, and that it violated standards of fair play and good taste. I suggested that such advertising was a disservice to him and to the community, and I urged him to repudiate the ads. I asked him to join me in abiding by the Code of Fair Campaign Practices, which I had signed during the summer. Copies of this letter were sent to the Fair Campaign Practices Committee—FCPC—Candidate Buckley, and to the Republican-Conservative Coalition for Buckley and Smith.

I stated, in part:

The many important issues facing our District demand that we wage an active, issue-oriented campaign in order that the voters of our district can clearly choose between our records and our programs. There is simply no place for advertising which uses falsehood, distortion, inaccuracy or innuendo in the campaign of 1970.

I received no reply from Mr. Smith, but did learn through a reporter that Smith had signed the Code of Fair Campaign Practices during the summer, as I had done.

With this in mind on October 2 I wrote to Charles Taft, Chairman of the FCPC, to file charges against Mr. Smith for violating the Code. I asked the FCPC to investigate the charges and publicize the facts in the case.

I charged my opponent with being in violation of section 4 of the Code, which condemns the use of campaign material of any sort which misrepresents, distorts, or otherwise falsifies the facts regarding any candidate. I submitted copies of the offending advertising, and submitted official copies of my voting and attendance records in order to refute the Smith allegations.

I also accused Smith of being in violation of section 3, which prohibits personal vilification and character defamation.

I pointed out that section 7 of the Code affords candidates an opportunity to repudiate false advertising and to disavow the support of groups responsible for the offending material. I urged that Smith be advised to take such action in accordance with the Code.

At this point I still had not received any reply from Smith, and the original advertising was now appearing throughout the district in the form of a handbill or flyer, also paid for by the Republican-Conservative Coalition for Buckley and Smith.

I announced to the press that I had placed charges against Smith, and received appropriate coverage in both the Brooklyn weekly newspapers and in the Staten Island daily, the Advance.

Although I had not heard from Smith, on October 5 he issued a signed statement to the press restating his original accusations, and ironically, using still another set of false figures to substantiate his false charges about my record. He also accused me of being in violation of the Code, but failed to be specific.

It was apparent to me that Smith had no intention of repudiating his early allegations in accordance with section 7 of the Code. Rather, he would continue on the offensive, making false charges and misrepresenting my record.

On October 6 I received a letter from the FCPC acknowledging receipt of my complaint against Smith for unfair campaign tactics. It stated that the FCPC had requested a response from Smith, and indicated that publication of facts would follow.

On October 8 I wrote to the Chairman of the FCPC in accordance with rule No. 3 of the FCPC Arbitration Rules to request that the American Arbitration Association arbitrate the charges I had filed against my opponent's campaign practices. I urged that the arbitration be processed quickly in order to provide the voters with a reasonable time in which to learn the results and to evaluate them. A copy of the request for arbitration was sent to David Smith, in accordance with rule No. 3, and I announced to the press that I had requested formal arbitration.

On October 9 I received an acknowledgment from the FCPC of my request for arbitration and a statement that I would be kept informed of developments.

I heard nothing more from the Committee for almost 2 weeks, although I or a member of my staff called frequently for status reports. During this period we received no information relative to the progress of any FCPC investigation of my charges or any information relative to my request for arbitration. We were told that the FCPC "was investigating."

Rule No. 4 of the FCPC Arbitration Rules requires that the candidate against whom the request for arbitration is made shall, within three days of receipt of the request for arbitration, file an answering statement with the FCPC and simultaneously send his answer to the other candidate. If an answer is not filed and arbitration agreed to under the rules within three days of receipt of the request for arbitration by the FCPC, the defaulting candidate shall be deemed to have refused to arbitrate the issue and the FCPC shall so notify the candidates.

My opponent did not answer within the required time frame. When he did respond, 6 days after my request for arbitration was received at the Committee, he failed to provide me with a copy of his answer as required by rule 4. The FCPC did not provide me with a copy, and I was kept in the dark regarding any and all FCPC actions.

Finally, on October 21, I learned by telephone that the FCPC had approved my case for submission to the American Arbitration Association—AAA. I might add that I initiated this telephone call to the FCPC.

On October 23, 2 full weeks after my request for arbitration, I received a letter from the AAA advising me that the AAA would administer an arbitration submitted to them by the FCPC. Pursuant to rule No. 7, I was asked to select acceptable arbitrators from a list provided, and I was asked to respond by 1 p.m., October 23.

I responded immediately by telephone, and followed up with a telegram. I also asked that the FCPC or the AAA provide me with a copy of my opponent's answer to my request for arbitration as required by rule 4. He did not previously do so, as required. We were given a list of six arbitrators from which we were to select three no later than 1 p.m. on October 23. I selected five of the six as acceptable

to me and complied. My opponent did not comply and was given until October 26 to make his choices, at which time he complied but still failed to provide me with a copy of his answer to the charges.

On October 28 I received a letter—dated October 23—from the AAA enclosing a copy of Smith's answer to my request for arbitration. His answer refuted my charges against him, but offered to repudiate his early allegations if, indeed, he was responsible for the advertising in which they appeared. He agreed to arbitration, but requested that countercharges against me also be heard. He charged me with calling him a "racist, liar, and bigot" in a public forum on October 3.

Although I was now receiving his answer for the first time, and was learning for the first time that he had filed charges against me, I promptly agreed to an immediate arbitration of any and all charges. Under the Code and the Arbitration Rules I should have received his answer, and his countercharges when they were filed with the FCPC on October 16 and 18.

Late on October 28 I received a telegram advising me that arbitration would be held at 3 p.m. on October 29 in the Manhattan headquarters of the American Arbitration Association. I notified the AAA that this was acceptable.

I personally appeared at the arbitration and my opponent did not. I was represented by counsel. My opponent was represented by two public relations men in his employ, who testified that they were fully familiar with the matter under inquiry, were aware that they were required to produce all pertinent evidence, and were granted full authority by the candidate to stand in his place and speak for him. When asked where the candidate was, they replied, "He is out campaigning."

The three-man arbitration panel heard testimony, received documentary evidence, and listened to arguments for almost 4 hours. At the conclusion of the hearings the arbitrators asked if I would accept a public repudiation and apology from my opponent, and the matter would be closed. I pointed out that this would not satisfy the purposes of the Fair Campaign Practices Committee and that, if this were done, all of the objectives sought by the Code would be frustrated.

I argued that I was entitled to just such a public repudiation and apology from Smith the moment he became aware that false and misleading advertising was being published by him and in his name, as spelled out in section 7 of the Code. Instead, I had heard nothing during the weeks in which he had had an opportunity to make a forthright public disavowal of the unfair campaign practices attributable to him.

I insisted on an award and a full public disclosure of findings on the charges and countercharges.

At 10 a.m. on Friday, October 30, the AAA announced its findings.

The AAA found:

With respect to the charges filed by Murphy, we find that, contrary to the provisions of the Code of Fair Campaign Practices,

1. The advertisement and article with respect to Murphy's attendance record in Congress in the year 1969 and the advertisement with respect to his voting record in Congress in that year, misrepresented and distorted the facts.

2. The advertisement with respect to Murphy's alleged support of compulsory busing misrepresented and distorted the facts.

3. The advertisement's reference to Murphy as an "absentee, playboy Congressman," constituted personal vilification of Murphy.

4. At no time prior to the hearing before this Tribunal had Smith publicly repudiated the advertisement and article.

With respect to the charges filed by Smith we find the credible evidence does not support the charges make.

I had won my case, more than a month after the offending advertising had first appeared, and 3 weeks after I filed formal charges and requested arbitration.

It was now too late to have the findings published in the Brooklyn weeklies in which the original advertising appeared, as they would not publish again until the Friday after election.

HONESTY IN CAMPAIGNING

A newspaper has a moral, if not a legal, responsibility to curb dishonesty in the political advertising it carries, but that is easier said than done in the heat of a campaign, where there is not always the time or the facilities available for the newspaper to verify the accuracy of charges made against an opponent in a political advertisement. In theory, at least, it has been traditional for the person making the charges to assume the responsibility for the validity of the charges.

Too often, unfounded, exaggerated, distorted, and downright untrue and dishonest charges are made by all political parties, not only in newspaper advertisements but in other forms of campaign literature and other forms of politicking. And all too often nothing is done about it other than a not always successful attempt to set the record straight.

Congressman John M. Murphy chose to do something more than that about a political advertisement which appeared in this newspaper during the just-ended campaign which attacked his attendance record in the Congress, calling him an "absentee, playboy Congressman" who had compiled the "sixth worst" attendance record in the House of Representatives in 1969.

Mr. Murphy denounced the charges as being false, and The Spectator promptly published an editorial to counteract the false advertisement. Mr. Murphy submitted the advertisement to the Fair Campaign Practices Committee, and last Thursday the American Arbitration Association ruled that the advertisement paid for by a committee on behalf of Mr. Murphy's Republican-Conservative opponent, David D. Smith, violated the Fair Campaign Practices Code.

The arbitration board held that the charges made against Mr. Murphy were distortions and misrepresented his record. It found that the attack on Mr. Murphy's voting and attendance records was based on only a fraction of the year 1969, and that his position on school busing was also misrepresented.

We do not believe that the advertisement in question was placed with the knowledge or approval of Mr. Smith. Still, he had ample time to disclaim it before the issue went to arbitration, and he obviously chose not to do so, thereby accepting full responsibility for the distortion and untruths it contained. Furthermore, in last Friday's edition of the Staten Island Advance, which featured on Page One the action of the American Arbitration Association in censuring Mr. Smith, there appeared a two-page advertisement which repeated the false charges against Mr. Murphy, paid for by the Smith forces.

We do not know what effect all this had on the election Tuesday, but we believe that it boomeranged against the Smith candidacy. It was an unfortunate incident on the face of it, compounded by a reluctance on the part of Mr. Smith to repudiate its falsity, but beyond that it tended to obscure the real issues of the campaign.

We congratulate Mr. Murphy on a well-deserved victory in the election, and hope that a lesson has been offered for future political campaigns. In that connection, Mr. Murphy should also be congratulated for bringing a political offender to book, for standing up to principle, and for casting a decisive vote for honesty in political campaigning.

It was, however, possible to have the findings covered in the Staten Island daily, the Advance.

When I learned the results, I had my staff contact the FCPC to determine what steps would be taken to publicize the findings. I requested a joint press conference with FCPC officials to announce the findings. Virtually every piece of FCPC literature and every letter I had received from the committee attested to the ultimate weapon of the committee, the power to publicize the facts concerning campaign practices, and I now fully expected the FCPC to assist in the publication of this clear-cut decision. It would certainly help me, and it would certainly enhance the potential power of the committee.

However, the committee refused to take any part in publication of the findings of the American Arbitration Association, insisting that I generate any and all publicity myself.

I issued an appropriate release, and the story was covered in the Advance. I printed a handbill or flyer for distribution in Brooklyn, and the New York Times and the Daily news ran small stories. Some local radio stations gave some coverage.

These were the final, hectic days of a closely contested election, and I determined to do the best I could under the circumstances, with or without an assist from the committee.

After the first stories appeared, Smith issued a statement accusing me of sneaking a newspaper reporter into the arbitration hearings, and of using the arbitration for publicity purposes. He warned that "we are taking legal action to correct these underhanded tactics."

Unbelievably, on the very day—October 30—that the story of the findings was published in the Advance, Mr. Smith ran a two-page ad reiterating the false charges concerning my voting and attendance records in Congress. The ad was repeated on Saturday, Sunday, and Monday.

My opponent's disregard for the committee and its powers is not surprising at this point. He had failed to respond to charges under the rules, and had been permitted to successfully stall hearings until the closing days of the campaign.

He had abused the processes of the committee with impunity, and now, after losing a clear-cut decision in arbitration, realized that the public would have only my word for it.

My announcement of the results amounted to little more than political rhetoric at the close of a campaign—one politician calling another a liar. My victory, after painstaking adherence to the Code and the Rules of Arbitration, was being lost in the shuffle of last-minute heated political dialog.

I announced that the AAA had found Smith guilty on four counts, he countered that I had sneaked a reporter into the proceedings. He continued to run the offensive advertising.

The Fair Campaign Practices Committee was utterly silent.

Late on October 30, I sent a telegram to the FCPC indicating that my opponent was continuing to use the false advertising for which he had been found guilty of violating the Code. I requested an immediate investigation and arbitration.

Early Saturday morning, I received a one-word telegram from the Fair Campaign Practices Committee. It said, "No."

In these final, heated moments the Fair Campaign Practices Committee failed to rise to its responsibilities even though its promotional material heralds the fact that it is prepared to handle last-minute charges.

A brief but forthright announcement of the findings by the FCPC would have set the record straight in the case at hand, and enhanced the power of the committee to promote fair campaign practices in future elections.

I had abided by the rules, had won my case, and was now entitled to an impartial announcement of the results. This failure by the FCPC is regrettable. An important opportunity to extend its influence and to expand on the important accomplishments of the past 15 years was missed.

The national campaign of 1970 was, in many ways, as vituperative and emotional as the campaigns of the early 1950's which gave rise to the Fair Campaign Practices Committee. There existed, then and now, a national climate of name calling and personal vilification which did little to advance the cause of democracy. In 1970, opposition to the President and his policies was often made to seem radical and even traitorous. On the other hand, the President and his policies were subjected to tremendous personal ridicule, invective, and destructive disrespect.

In my district, I had to fight an uphill battle against a Republican gerrymander and an opponent with both Republican and Conservative Party backing. While the campaign never degenerated to the level of personal name-calling and invective which characterized some other campaigns, it did begin on a regrettably low note with an effort by my opponent to misrepresent my record and to characterize me in an unfavorable personal light

It is time for the Congress to once again address itself to the problem of promoting and insuring fair campaign practices. For 15 years, the Fair Campaign Practices Committee has filled the void and made vital and important contributions. It has succeeded in elevating ethical standards in many respects, and in many ways has been a lone crusader.

In my campaign, the presence of the FCPC undoubtedly stalled my opponent's questionable advertising as soon as my charges were placed. It was not until after the findings were announced, and my opponent realized the inherent powerlessness of the FCPC to restrain him from further violations, that the false advertising was resumed.

In the 92d Congress I will introduce a resolution to establish a Select Committee on Campaign Practices. The Committee will be tasked with developing criteria for political campaigning, developing enforcement machinery, and recommending appropriate legislation to the Congress. The Committee will be required to carefully study the FCPC and its accomplishments of the last 15 years, and to draw heavily on the many valuable lessons learned

It may be that such a Committee will find itself as stymied as the Senate subcommittees of the early 1950's, which found it impossible to legislate political morality. If this is so, perhaps the best we can hope for is spotlighting the issue, and strengthening the private Fair Campaign Practices Committee. If it is recommended that just such a private organization is the best method of fostering fair campaign practices, perhaps the Select Committee can recommend a method whereby the FCPC can be provided a measure of financial security to insure the availability of resources and staff during campaigns to process complaints and to publicize the facts in each case.

It may be that financial and staff limitations prevented the FCPC from meeting its responsibilities in the handling of my case. Certainly this should be prevented in the future.

The FCPC should have issued a series of brief, factual releases reporting the progress of my case. For example:

The Fair Campaign Practices Committee today received charges, under the Code of Fair Campaign Practices, filed by Congressman JOHN M. MURPHY against his opponent, David Smith. The Congressman charges Smith with violating the Code in four instances in that he . . . etc.

Under the Code, which both candidates have voluntarily signed, Candidate Smith has been asked by the FCPC to respond to the charges.

When the FCPC received Smith's answer:

David Smith today branded Congressman Murphy's charges against him as unfounded and unfair, and filed countercharges against Murphy under the Code of Fair Campaign Practices . . . Smith charges that Murphy . . . etc.

The FCPC is a non-profit, private organization devoted to raising the ethical level of political campaigning in elections. The Committee acts as a mediator between candidates . . . etc.

Later, when Murphy demanded arbitration:

The FCPC today announced that Congressman John M. Murphy is seeking arbitration of his charges against Republican-Conservative candidate David Smith on charges of misrepresenting the Congressman's eight-year voting and attendance record.

Then:

David Smith has agreed to arbitrate charges filed by Congressman Murphy under the Code of Fair Campaign Practices, etc. . . .

And finally:

The American Arbitration Association, acting in behalf of the Fair Campaign Practices Committee, today found the political advertising of David Smith to be in violation of the Code of Fair Campaign Practices in four instances . . . It further found that charges by Smith against Murphy were not supported by the credible evidence . . . etc.

Such a series of releases would have removed the trading of charges from routine political exchanges, and enhanced the stature to the Committee and given substance to the eventual findings. It would have served notice on other candidates that the FCPC was prepared to to go to the press in reporting the facts involved in each and every case brought before it.

This failure by the FCPC represents its most conspicuous shortcoming in the handling of my case, and was particularly surprising and disappointing because so much FCPC literature and public relations has been focused on the Committee's ultimate weapon, its ability to publicize unfair campaign practices.

Its second failure grew out of its refusal to entertain new charges brought by me when Smith continued to run the unfair advertising. The Committee claimed that the case was out of its hands because it had been referred to the Arbitration Association. I do not accept this. It was very much within the power of the FCPC to admonish Smith to cease running the offending advertising after the ruling against him. Had the FCPC done so, and publicized the fact, the advertising would surely have stopped.

As it was, during the closing days, there was only my word for the fact that the continuing advertising was unfair and in violation of the Code. The Committee was silent.

The willingness of the Staten Island Advance to continue running questionable advertising after the AAA decision raises questions for our consideration. I believe the newspaper should have taken cognizance of the fact that Smith's advertising had been ruled in violation of the Code. However, the Newspaper took the position that it could not research the charges made in political advertising, and therefore, accepted ads on the good faith of the candidates.

Certainly, we cannot expect newspapers to research the nuts and bolts of political advertising. However, newspapers can agree to take cognizance of the FCPC and its rulings. In my case, I had assurances that the newspaper would have refused Smith's final advertising had it received an official ruling from the FCPC in regard to the findings under the Code, and expressing the opinion that the continuing advertising was a violation. All the newspaper had to judge was my word against Smith's—one politician against another. The editors chose not to take a position, and agreed to run each candidate's ads on good faith.

At this point, Mr. Speaker, I insert a

1966 editorial which that same paper ran in my behalf after the unfair, untrue, libelous, and slanderous advertising had been run against me. But I did not take the case before the Fair Campaign Practices Committee at that time because I felt as many Members of the Senate and the House had said to me that would be a waste of time.

The editorial referred to is as follows:

CANDIDATE STRIKES FOUL

Beyond a doubt, Frank Biondolillo, Republican-Conservative candidate for Congress, has struck a low blow.

It's the kind of political fighting Staten Island can do without.

The objectionable blows were carried in a political advertisement in this paper yesterday, an advertisement paid for by "The Committee for the Election of Frank Biondolillo."

We allow wide latitude in our political ads. As the newspaper on Staten Island, we feel candidates should be allowed to speak out in keeping with the traditions of our nation's free and open society.

We do reserve the right to criticize—and the Biondolillo ad certainly deserves harsh criticism.

What did it say? Well, it was one of those let's-look-at-the-record ads. The target was Congressman John M. Murphy, Democratic-Liberal candidate for reelection.

Among other things, it said Mr. Murphy "voted your dollars to support Russia and Communist-controlled governments" . . . "Voted aid to countries that support our enemy North Viet Nam" . . . "Supports LBJ's no-win policy in North Viet Nam" . . . "Supports a cynical administration that double crosses our boys by dealing with our enemies under the table." . . .

Is it being suggested that President Johnson and Congressman Murphy have been giving aid and comfort to the enemy—and are guilty of treason?

This is an outright lie, sheer rot.

President Johnson, Mr. Murphy and so many other national leaders have gone all-out to win the war in Viet Nam. They have drawn fire from many peace groups for being too "hawkish."

They have not dealt "under the table." They have not double crossed any of our fighting men. Efforts to negotiate a peace—certainly the proper approach for sane men—have been forthright and discussed publicly.

The Biondolillo charges are a distortion, a fabrication and a smear.

Staten Islanders know full well nobody can question Mr. Murphy's unswerving loyalty. He was a hero in the Korean conflict and during his entire life has put his nation first.

He can't—and won't—be besmirched by a political advertisement.

We feel the voters will be affronted by this cheap and tawdry effort by the Biondolillo camp.

The Biondolillo forces, led by the candidate himself, should issue a full and complete apology.

Perhaps the Committee ought to develop machinery to request that newspapers join in signing the code and/or a pledge to be cognizant of rulings in cases brought to arbitration.

Let us learn the lessons of 1970, and of years past. In 1776, John Adams told us, "Where honest elections end, there slavery begins."

This principle has guided the Fair Campaign Practices Committee since its birth. Let us now proceed even further.

Mr. Speaker, I include the following correspondence:

DECEMBER 14, 1970.

Hon. JOHN M. MURPHY,
Longworth House Office Building,
Washington, D.C.

DEAR MR. MURPHY: I just received a copy of your letter of December 3rd addressed to your colleagues in the House of Representatives. In that letter you say "it did not take steps on its own to publicize the charges or the findings."

A number of years back when Mr. Nixon was Vice President and Mr. Johnson was the Democratic leader of the Senate, the Internal Revenue Service withdrew our exemption from taxes on the ground that when a condidate who had signed the Code of Fair Campaign Practices made a complaint and sent the full copy of the complaint to the newspapers and other media with a request that they give it full publicity, we were thereby issuing "a statement on behalf of a political candidate." We believe this claim to be nonsense and we said so firmly. We also enlisted the assistance of Mr. Nixon and Mr. Johnson, but we had to go from March until October before the Internal Revenue Service was willing to reinstate our exemption. Even when they took this action, they still maintained the position that we were not permitted to put out a statement which could be interpreted in any way as on behalf of a political candidate, and they meant specifically what you are now complaining that we did not do in the case of your arbitration. In my opinion, as a lawyer who has been involved in this kind of thing for a good many years, we could not publicize the award any more than we could publicize the complaint in the first place, without jeopardizing our tax exemption as a non-profit corporation either educational or charitable in the broad sense.

We rely on the candidates to publicize both their complaints and their answers and their victory in an arbitration award. The award carries on its face the circumstances and the fact that it was arrived at under the arbitration process of the Fair Campaign Practices Committee, and I do not quite understand why a politician as competent as you are could not get just as much publicity as we could.

I might add that we have educated the press and the media to give full publicity to all of these charges, replies or awards, and they have done a very good job at it. I hope that you will insert this letter in any record that your meeting may keep, and that you will place it in the Congressional Record in connection with your own address.

Sincerely yours,

CHARLES P. TAFT,
Chairman, Fair Campaign Practices Committee.

WASHINGTON, *D.C.*,
December 17, 1970.

Mr. CHARLES P. TAFT,
Chairman, Fair Campaign Practices Committee, First National Bank Building, Cincinnati, Ohio.

DEAR MR. TAFT: Thank you for your thoughtful letter concerning the history of the Fair Campaign Practices Committee's efforts to publicize its activities. I can certainly appreciate the difficulties involved; however, I believe the Committee failed to meet its responsibilities in the handling of my case.

Your letter states, "We rely on the candidates to publicize both their complaints and their answers and their victory in an arbitration award." This may be your actual practice, but virtually every piece of literature promoting the FCPC attests to its readiness and ability to publicize the facts in cases brought before it. Much of the correspondence I received from the Committee in the course of the 1970 campaign similarly touted the ability of the FCPC to publicize unfair campaign practices, and to "publish the facts." Thus, you can fully understand my surprise and disappointment when the Committee flatly refused to generate any publicity, or to participate in any publicity effort at any time in the handling of my case, including the critical period following the announcement of findings by the American Arbitration Association.

You correctly point out that I am capable of communicating with the public and the press, and I did so in connection with this case. However, my releases relating to the case before the FCPC were those of a political candidate; releases by the FCPC would have been the brief, impartial statements of fact of an august body of public-spirited citizens dedicated to promoting fair campaign practices. I believe the FCPC could have issued such brief, factual releases without jeopardizing its tax-exempt status. It claims to have done so in countless past elections.

The Committee could have lifted this case out of the routine swapping of charges between candidates in a close election, and raised the overall level of the campaign and of the public view of the Fair Campaign Practices Committee.

Enclosed for your information is my statement during a Special Order in the House of Representatives concerning fair campaign practices. After reading the history of my case I am sure you will agree that the Committee missed an opportunity to greatly enhance its stature and future effectiveness, and failed the voters of my district in the closing days of a hard-fought election.

Kind regards.

Sincerely yours,

JOHN M. MURPHY,
Member of Congress.

Mr. EILBERG. Mr. Speaker, I rise today to speak on a problem which has plagued our political arena since its very inception. The problem takes many forms and assumes many aspects. Sometimes it is the "big lie," an untruth so at variance with the facts that, if repeated enough, the people assume that it must be true or else it would not have been uttered. Sometimes it is more subtle. It is the misrepresentation of a vote cast, a doctored quote, or a quote out of context. Sometimes it is the juxtaposition of unrelated facts and circumstances to give a false and misleading picture that is ofttimes almost impossible to refute without a long and sometimes tiresome explanation. The problem of which I speak is the unfair campaign practice, a relatively harmless sounding name for methods of campaigning which strike at the vitals of our democratic form of government and weaken the effectiveness of our representative form of government by setting lies against truth and innuendo against openness; methods which deflect candidate and voter alike from the important and urgent issues of the day.

Today in this country, outside of a few States which provide for punishment of only the most flagrant unfair campaign practices, the only recourse that a candidate has when he has been unfairly attacked is appeal to the Fair Campaign Practices Committee, a nongovernmental organization with a limited budget and staff which attempts to police political campaigns without having any recourse to any sanctions that might be effective. Unfortunately, the good intentions of the Fair Campaign Practices Committee do not begin to make up for its deficiencies.

In a political campaign, where events move even more swiftly than the attention of the voters, the Fair Campaign Practices Committee moves with an agonizing slowness, caught up in a round robin of charge and countercharge. In fairness to the committee, however, we must recognize that it is trying to deal with a problem of national scope from a very limited base and to fill a void that we here in Congress have, to date, neglected.

In the area of unfair campaign practices, given the past performance of the committee and the dearth of prosecutions brought under the few state statutes that attempt to regulate such practices, it has become obvious that the need for Federal legislation is pressing. It will not do for those who will oppose such legislation to attempt to alleviate the pressure for reform by referring us back to the Fair Campaign Practices Committee as the solution to our problems in this area. Too many of us have tried that procedure and found it wanting and we must not let the existence of the committee serve as an excuse for our further inaction.

What shape these reforms should take and what solutions will cure our present ills in this matter I do not know and I do not propose at this point to offer any legislation that will, without further ado, solve the problem of unfair campaign practices. In the 82d Congress a subcommittee of the Senate Committee on Labor and Public Welfare published a report on ethical standards in government which contained two suggestions that might be of interest to us as we look into unfair campaign practices. The first suggestion of the subcommittee which I would like to bring to the attention of the House is the possibility of the creation of a court of ethics. The subcommittee would have limited the function of the court to the improper practices of Government officials. It would not appear to be too difficult to extend the function of such a court to unfair campaign practices and candidates. More to the specific point at hand is another suggestion of the subcommittee. In their section on proposals regarding politics the subcommittee suggests that perhaps "a campaign tribunal be established to report fully and currently on the campaign receipts and expenditures of candidates, committees, and parties, and also to act as a referee during campaigns by pointing out "low blows."

These two suggestions are by no means the last word on the subject of Federal legislation in the area of unfair campaign practices. It is clear though from our past experiences that whatever legislation we choose to adopt to correct the present situation there are two factors that must remain paramount. These are that such legislation must provide both a timely and an effective remedy for a candidate who has been the object of such practices. To provide both of these will no doubt be difficult, but to do otherwise will be only to attend to the problems without solving it. A candidate must be able to participate in the electoral process with some assurance that if he is unfairly attacked or subjected to unfair tactics by his opponent he will be able to receive immediate and effective relief. If we legislate and do not provide this assurance we will have labored mightily and brought forth a mouse, and an ineffectual one at that.

Mr. HOGAN. Mr. Speaker, I would like to thank the distinguished gentleman from New York (Mr. MURPHY) for affording me the opportunity to tell my colleagues of my experiences with the Fair Campaign Practices Committee.

Let me first make it clear that my remarks are meant to be constructive. I have the highest regard for the efforts of the committee and its executive director, Mr. Samuel J. Archibald. I do believe, however, that some improvement could be made in the committee's rules and policies and it is with this in mind that I cite my own experiences.

Some background is required. The State of Maryland holds its primary on September 15. In this year's election, I was unopposed in my party's primary. One of my opponents, himself an elected incumbent State official, stated publicly that he would ignore his own primary opponents and address himself directly to me. He proceeded to do so in a most vile manner, making accusations which he invented, removing my statements from context and turning them around, distorting my votes and misrepresenting my actions.

He circulated a memorandum in New York City, most of it including his lies and distortions in order to induce some groups to offer him assistance.

My campaign committee filed a complaint with the Fair Campaign Practices Committee in which I documented my opponent's unfair actions.

The committee responded by saying that they did not become involved in primary contests.

I cannot understand the rationale for excluding primary elections. As I said earlier, I had no primary opponent and the candidate against whom I filed the complaint ignored his primary opponents and chose to distort my record and lie about my activities. I understand their limits of staff and funds; I do not understand a policy which makes no distinction between primary infighting and a known and calculated assault on the nominee of the opposing party.

In spite of the fact that my opponent tried to discredit me by the vilest of means, the facilities and prestige of the Fair Campaign Practices Committee were denied to me for recourse.

It made no particular difference that he did, in fact, repeat his accusations after the primary election, the initial damage had already been done, and I was forced to conduct a campaign of responding to malicious tactics—a position which under other circumstance may have been fatal to my efforts.

I do not believe the committee's policy should be so narrowly drawn as to preclude an attack by members of one party against another party in a primary and I would like to suggest that their policy be revised to include at least some process to accommodate aggrieved candidates under these circumstances.

In spite of the fact that his errors and distortions were called to his attention, he continued to use them throughout the campaign and, in fact, publish a vicious smear sheet in tabloid form which repeated most of them, the Fair Campaign Practices Committee was apparently powerless to take any action against him.

Some vehicle must be found to eliminate unfair campaign tactics if we are to maintain confidence in our electoral process. The FCPC has no power or authority to enforce the high principles which it espouses. Congress itself should take action to provide a mechanism to clean up political campaigns.

I include a letter sent to the FCPC by the Hogan for Congress committee in the RECORD at this point:

AUGUST 24, 1970.

MR. SAMUEL ARCHIBALD,
Executive Director, Fair Campaign Practices Committee, Washington, D.C.

DEAR MR. ARCHIBALD: I wish to call to your attention, for investigation, the systematic misrepresentation, distortions, and falsifications being used by one of Congressman Hogan's opponents who is seeking the Democratic Party's nomination for the 5th Congressional seat of Maryland.

Normally, we would not dignify such tactics with a response, however, we understand only too well what motivates Royal Hart. He knows full well that by attacking Congressman Hogan he can get publicity for himself. He seems determined to make distorted and false comments in order to draw Mr. Hogan into a debate with him. He also knows that he doesn't have to sign the Fair Campaign Practices Code until after the primary election, if he chooses to do so at all.

I wish to submit my objection to such tactics and to ask the Committee to seriously consider whether or not he should be afforded the privilege of signing the code in view of the scurrilous manner in which he has been conducting his primary campaign.

I believe that the people of the 5th Congressional District should be aware of the tactics employed by Mr. Hart so as to set the record straight. I am, therefore, releasing this letter together with the enclosed documents to the press.

Sincerely,

DONALD BOYD,
Chairman.

ENCLOSURE

Charge: On several occasions over a 14-month period, Hart charged Hogan with conflict of interest and alleged that Hogan was a lobbyist while serving as a member of Congress.

1. On April 12, 1969, Hart wrote to the Honorable Melvin Price, Chairman of the House Committee on Standards of Official Conduct, and alleged that Hogan, through his ownership of the public relations firm, Larry Hogan Associates, Inc., was acting as a lobbyist for a special interest group on pending legislation. This letter was then released to the press. On that same day, Hart also wrote to Mr. Louis R. Baumgaertner, then Chairman of the Republican State Central Committee of Prince Georges County, requesting an investigation of "Mr. Hogan's twin role as Congressman and lobbyist".

Fact: At the time of his election to Congress, Hogan discontinued all activities on behalf of the firm, Larry Hogan Associates, Inc. In April, 1969, when Hart first charged Hogan with conflict of interest, Hogan was actively negotiating the sale of his firm. No member of the firm was engaged in lobbying. Neither Hogan, nor any other member of the firm, had ever lobbied for the legislation cited by Hart. In fact, the trucking bill to which Hart referred was not introduced in the

House until June 4, 1969, two months after Hart's charges were made public.

It is interesting to note that when advised of the proper procedure for filing a complaint to the Committee on Standards of Official Conduct and asking for proof of his charges, Hart failed to communicate again with the Committee.

2. In a letter to Hogan dated August 6, 1969, Hart reiterated his allegations regarding Hogan's ownership of Larry Hogan Associates, Inc. This letter also was released to the press.

Fact: Hogan's firm, Larry Hogan Associates, Inc., had been liquidated for nearly three months at the time of Hart's second charge. The bill of sale of the firm was dated May 15, 1969.

Documents:

Letter from Hart to Hon. Melvin Price, 4/12/69.

Letter from Hart to Louis R. Baumgaertner, 4/12/69.

Article from the Sunday Star, 4/13/69.

Letter from Hon. Melvin Price and Hon. Leslie Arends to Hart, 4/16/69.

Bill of Sale of Larry Hogan Associates, Inc., 5/15/69.

Article from the Washington Post, 8/9/69.

Charge: In a letter to Hogan, dated August 6, 1969, Hart alleged that Hogan acted improperly in accepting a study fellowship for a fact-finding trip to Southeast Asia, and further impugned Hogan's reputation by insinuating that Hogan had become corrupted since assuming office.

Fact: The Free Pacific Association, a nonprofit organization affiliated with the Catholic Church and headed by a Cardinal of the Catholic Church, regularly offers fellowships to study the activities of communist influence in Southeast Asia. In August 1969, the Association offered to Congressman Hogan and several of his freshman colleagues in the 91st Congress, a $1,000 study fellowship for this purpose. The balance of the trip, $2,000, was personally paid by Hogan from his own congressional salary. None of the expenses were paid by the Federal Government. All transactions were reported on Hogan's 1969 income tax return. The trip was undertaken during the 1969 August Congressional recess so as not to interfere with legislative duties. The Free Pacific Association neither asked for nor received any consideration in connection with the fellowship nor were they in any way involved in arranging the agenda for the fact finding tour.

Documents: Letter from Hart to Hogan, 8/6/69.

Article from the Washington Post, 8/9/69.

Charge: On April 2, 1970 in a release to the Prince George's Sentinel, Hart publicly charged that Hogan supported retroceding the District of Columbia to the State of Maryland.

Fact: Hogan has never advocated retroceding D.C. to Maryland and has fought against it in the House District of Columbia Committee on which he serves. Hogan's motion to table this legislation was approved in Subcommittee, effectively killing the proposal for this session. Hogan made public his position on this matter in a Letter to the Editor of the Washington Star, dated March 12, 1970, and in his weekly column, The Hogan Report, which appeared in the Prince George's Sentinel on March 26, 1970. Both of these public statements were made prior to Hart's April 2 allegation.

Documents:

Article from the Washington Star, 3/12/70.

Article from the Prince George's Sentinel, 3/26/70.

Article from the Prince George's Sentinel, 4/2/70.

Charge: On July 30, 1970 in a release to the Star Leader, Hart publicly charged that Hogan had voted himself a 42½% pay increase.

Fact: Hogan did not vote himself a salary increase. On the contrary, the action which raised the salaries of Members of Congress to $42,500 (this was *not* a 42½% increase) was taken by the 90th Congress *before Hogan was elected.* The 90th Congress enacted Public Law 90–206 which contained a provision which would automatically increase the salaries of members of Congress upon executive recommendation unless the Congress took some action to specifically disallow the increase. A salary recommendation was, therefore, submitted to the House in January, 1969, with the Presidential Budget message of the Johnson Administration. The House was unable to take any action on the measure because the Rules Committee refused to bring the matter to the floor for a vote. Hogan, who publicly said several times he opposed the pay raise, signed a discharge petition which would have forced a vote on the floor. The measure, however, failed to get the requisite number of signatures, so it did not come to the floor. The salaries of Members of Congress were therefore automatically increased. Hogan's position on this issue was publicized in numerous County newspapers and in the Hogan Report dated May 30, 1969, more than a year before Hart levelled his charge against Hogan.

Hart's 1970 primary opponent, former Representative Hervey Machen, voted for the legislation in the 90th Congress which allowed the increase in congressional salaries.

Documents:

Bill Digest Public Law 90–206.

Congressional Record, p. 28672, 10/11/67.

Hogan Report #17, 5/30/69.

Article from the STAR LEADER, 7/30/70.

Charge: In a radio interview on WAMU–FM, broadcast in July, 1970, Hart accused Hogan of advocating resumption of the bombing of North Vietnam.

Fact: Hogan has never called for a resumption of the bombing of North Vietnam. However, one of the Democrats who went with Congressman Hogan on the August, 1969 Vietnam trip did call for a resumption of the bombing, but Hogan did not. Hart has simply erroneously attributed to Hogan a position publicly advocated by another Member of Congress.

Documents: Transcript of statement by Hart aired over radio station WAMU–FM, p. 5.

Charge: In a "fact sheet" widely circulated in New York City to solicit funds, Hart charged that Hogan voted against the Department of Health, Education, and Welfare appropriations bill which vote would have denied Prince George's County $10.8 million in impacted aid funds.

Fact: Hogan voted for the appropriations bill. He also voted on two separate occasions to override Presidential vetoes of the Health, Education, and Welfare bill.

Documents:

Fact Sheet issued by Hart for Congress Committee Congressional Record (Hogan's votes on all Health, Education, and Welfare appropriation measures).

Additional Documents: Letter dated 8/7/69 from James A. Sensenbaugh, Maryland State Department of Education; Letter dated 1/30/70 from Lloyd K. Hoover, Principal, Laurel Senior High School; Letter dated February 2, 1970, from Elizabeth B. Hage, Director, Prince George's County Memorial Library; Letter dated February 3, 1970, from William S. Schmidt, Superintendent of Schools, Board of Education of Prince George's County; Letter dated February 6, 1970, from William Schmidt; Letter dated February 4, 1970, from James S. Sensenbaugh; Letter dated February 6, 1970, from Joseph Standa, Federal Relations Coordinator, Association of Classroom Teachers; Letter dated February 15, 1970, from Mrs. Charles H. Cunningham, President, League of Women Voters of Prince George's County; Letter dated March 3, 1970, from Miss Pryor Hale, Director of Federal Relations, Department of Audiovisual Instruction; Letter dated August 7, 1970, from Fred L. Alexander, Director of Planning, Anne Arundel County Public Schools.

Mr. OLSEN. Mr. Speaker, the major function of the Fair Campaign Practices Committee is to alert the voters to the dangers of dirty politics. This educational activity is carried out before, during and after political campaigns. I think my colleagues would like to look at one example of this educational work—a story in the Christian Science Monitor on June 9, 1970, explaining the committee's activities and the campaign problems it hoped to solve.

Does the committee's educational effort succeed? An analysis of the 1968 campaigns indicates it does. The committee has not completed its report on the 1970 campaigns, but a story in the New York Times on February 25, 1969, shows the effect the committee's educational activities had during the 1968 campaign period.

I would like at this time to have the two stories, along with a letter containing the details of the present case, printed in the RECORD:

[From the Christian Science Monitor July 9, 1970]

CAMPAIGN PRACTICE: BUSY SEASON FOR WATCHDOGS

(By Robert P. Hey)

WASHINGTON.—Sam Archibald leans back in his desk chair, relaxed. "Yes," he repeats, smiling: "I guess you could say we are entering our busy period."

Not until after November's elections will Mr. Archibald again be this relaxed at work. He is executive director of the Fair Campaign Practices Committee, which soon begins an important election-year task. It will investigate complaints it receives that various political candidates used unfair campaign practices

Across the country the season for primary elections is ending. Campaigns aimed at November victory are about to begin. As their political oratory heats up complaints alleging campaign unfairness will mount—and Sam Archibald will be kept hopping.

TREND TO SOPHISTICATION

He says it doesn't appear that in recent years political campaigning has become recognizably cleaner—or dirtier. "The main trend is nothing new, but very obvious—sophistication in the use of dirty tactis." At all levels of campaigning he sees fewer overt appeals to prejudice, but more use of code words to get the same ideas across. And more clever distortion of opponents' records. He cites examples from this spring's primary campaigns.

The committee he directs was formed in 1954. At that time American campaigning was dominated by a legacy of the superpatriotism known as McCarthyism—guilt by association. The committee's early effort was to combat guilt by association, especially the "Communist" smear; and blatant appeals to racial and religious prejudice. In the early years most complaints it received alleged these kinds of campaign unfairness.

Those complaints have dropped steadily. In 1968 only 8 percent of the complaints alleged tactics of guilt by association; 6 percent charged appeals to race prejudice; 3 percent, appeals to religious prejudice.

By contrast, 50 percent of the '68 complaints charged intentional misinterpretation or distortion; 16 percent personal vilification or character defamation; 17 percent violation of laws and postal regulations.

In the Archibald phrase: "Demagogues are becoming cleverer. They're using the techniques of Madison Avenue—just like the good guys are....

"If you twist a fact, and you pose it in the sales techniques that are used to sell underarm deodorant, and you boom it out all over your area in the closing days of a campaign, it's going to have the same effect as the deodorant ad. It's going to sell deodorant—or candidates."

One group of candidates Mr. Archibald is likely to hear a good deal from these next few months is congressional candidates, if only from sheer weight of numbers. All 435 seats in the House of Representatives are up for election, as are about one-third in the Senate.

Mr. Archibald notes two disturbing trends in congressional campaigns. Both represent use of highly sophisticated, unfair—but legal—campaign techniques:

"More sophisticated use of the congressional frank."

"The newest technique is the use of polls" to mislead voters deliberately.

Federal law permits members of Congress to send mail postage-free. But they are prohibited from free, partisan political mailings.

Mr. Achibald says that increasingly in recent years, some senators and congressmen have had able staff aides write and mail to their constituents what really are highly favorable political pieces—such as newsletters that present their activities in glowing light.

He says that increasingly some members of Congress are using a loophole in the law that governs franking. The law permits members to send postage free any reprint from the Congressional Record, a daily reprint of everything said on the floor of Congress. Even if what's reprinted is as political as a campaign testimonial.

Members of Congress rarely find it difficult to have something complimentary about themselves recorded in the Congressional Record. Reprinted, these compliments make excellent political weapons. And they can be mailed free of charge.

Mr. Achibald also charges that "more and more" congressmen are sending constituents "very sophisticated questionnaires—completely political, but also completely legal." Some congressmen send questionnaires in an earnest quest for their constituents' views. But Mr. Archibald says others are sending voters questions so loaded the real purpose is to let the voter know what the congerssman thinks....

[From the New York Times, Feb. 25, 1969]

FAIR CAMPAIGN COMMITTEE FINDS NICE GUYS DO WIN

(By Warren Weaver, Jr.)

WASHINGTON, February 24.—Leo Durocher's old sporting maxim that nice guys finish last was disputed today by the Fair Campaign Practices Committee—at least as far as the 1968 election was concerned.

The committee, a nonpartisan group dedicated to exposing political smears, produced some impressive figures to indicate that candidates who make justified protests against dirty tactics fare much better than candidates who make unjustified protests.

The group also noted with some satisfaction that there had been a decline in the number of campaign incidents producing formal charges, particularly in the areas of racial and religious prejudice and guilt by association with extremist organizations. The overall decline was to 67 from 98.

Of the 1968 political candidates who filed complaints against their opponents that were later judged valid, 81 per cent were elected, the committee reported. But of the candidates who made invalid charges, "in effect, smearing their opponents by crying smear," 87 per cent lost their races.

In 1968 for the first time, the committee offered arbitration services to a candidate who alleged a smear and his opponent who denied the charge. The technique was applied, in varying degrees, to two Senate and five House elections.

In one case that went through arbitration and four in which the accused politician refused to cooperate in the process, the candidate who asked for arbitration won the election. These included Senators Alan Cranston, Democrat of California, and William B. Saxbe, Republican of Ohio.

Of all the candidates who were challenged to agree to arbitration, only one, Representative Martin B. McKneally of upstate New York, won his race, but after the protest arose he repudiated the press release to which his conservative opponent, Frederick Roland, had objected.

Committee officials believe that the arbitration system can be improved by requiring both candidates to sign an affidavit that they will abide by such a decision.

The report on 1968 showed that almost a third of the complaints were filed in the final week of the campaign, 13 per cent during the last weekend before Election Day.

Considerably fewer complaints grew out of the Presidential campaign in 1968 than in 1964. In the Johnson-Goldwater year, 25 of 98 protests involved the national contest; last year, it was only 7 of 67.

The committee reported that only 6 per cent of its cases last fall involved charges of appeal racial prejudice and 3 per cent involved allegations of appeal to religious prejudice. Both figures were twice as large during the 1966 campaign.

There was a similar drop in political charges based on association with extremist organizations, either left or rightwing. These cases made up 14 per cent of the complaints in 1966, only 8 per cent in 1968.

Half of last year's protests involved false or distorted campaign material, compared to 35 per cent in 1966. The other categories of political complaint—personal vilification and violation of legal or ethical standards—accounted together for 33 per cent of the cases, the same share as in 1966.

When candidates complain to the committee, it conducts an investigation and makes public its findings of fact but no verdict. After the election is over, the group decides which protests were valid and invalid and then figures out how many of the good guys won and lost.

FAIR CAMPAIGN
PRACTICES COMMITTEE, INC.,
December 7, 1970.

HON. JOHN M. MURPHY,
Washington, D.C.

DEAR CONGRESSMAN MURPHY: Your letter of December 3, 1970 to your colleagues in the House of Representatives has been forwarded to the Fair Campaign Practices Committee by many of them. I will notify all members of the Committee's Board of Directors of your plan for a special order on the House floor December 16th to discuss ways to strengthen the Committee.

Pending their response, I can say that I applaud your efforts. The work of the private, non-profit, non-partisan Committee is always rewarding but often frustrating. Those who win elections after using the Committee's facilities often complain that the Committee did not do enough; the losers often complain that the Committee did too much.

And to top it off, as the Committee's educational efforts become more successful, its financial support decreases. As the Committee highlights dirty politics and shows voters and candidates how to combat the evil, the financial supporters become convinced that the evil is growing. And they blame the Committee for the growth.

Dirty politics is not increasing; public disgust with dirty politicians *is* increasing—thanks, largely, to the work of the Fair Campaign Practices Committee over the last 15 years. But as the Committee points out the problems and recommends improvements in the democratic process which will lead to solutions, those who want Instant Utopia blame the Committee for the political shortcomings of the moment.

That brings me to the matter which compels you to take the floor of the House of Representatives on December 16, 1970.

You say that the Fair Campaign Practices Committee took a long time arranging for arbitration of your complaint of violation of the Code of Fair Campaign Practices; that the arbitration decision was completely on your side; that publicity about the arbitration decision was not everything you hoped and that the Committee "curtly refused" to reopen arbitration proceedings when you asked for a second hearing four days before the election.

You have some valid points there. Four days before the election your press assistant, using vile and vicious language, telephoned a demand that the Committee solve your publicity problems and that a new hearing be set up. When both requests were denied, the Committee received a 154 word telegram in your name repeating the demands for publicity assistance and for a new hearing.

The answering telegram from the Committee stated: "No."

That, I admit, was a curt refusal. But the reason for the refusal was obvious: the Fair Campaign Practices Arbitration Rules do not permit the Committee to participate in the arbitration process—including handling the publicity—after a case is turned over to the American Arbitration Association and there certainly was not time for a new hearing on the same subject on the weekend before election day.

In checking the files on the Committee's handling of your case, I ran across some other interesting information. Our files are, of course, public records and open to you, your staff or anyone who wishes to browse through them. Here is a digest of facts from the files.

On October 6, 1970 your initial complaint of violation of the Code of Fair Campaign Practices was delivered by messenger to the Committee's offices. On the same day the Committee sent a letter to your opponent, Mr. David Smith, asking him to answer the complaint.

On October 7, 1970 you telephoned to request information about the Committee's procedures and I explained them, including the arbitration process.

On October 9, 1970 at 10 AM the Committee received registered letter No. 202623 from you requesting arbitration but not including an agreement to abide by the findings as required by the rules which you had been given. I telephoned your Mr. McGowan, informing him of the shortcoming, and a corrected request for arbitration was received by messenger at 10:40 AM. On the same day the Committee sent your opponent, Mr. Smith, registered letter No. 340756 transmitting your request for arbitration and informing him that the Fair Campaign Practices Arbitration Rules required an answer within three days of the receipt of the request.

Mr. Smith received the request for arbitration on October 12, 1970. Meanwhile, I informed the Committee's seven member executive committee and three member advisory committee of the request for arbitration, telling them I would transmit the case to the American Arbitration Association unless they objected or unless Mr. Smith refused to arbitrate.

On October 15, 1970 Mr. Smith answered the arbitration request by telegram, stating

he would serve as mediator between you and the organization which had placed the advertisements which were the basis of your complaint of violation of the Code of Fair Campaign Practices.

On October 16, 1970 I telephoned Mr. Joseph R. Sciacca, Mr. Smith's campaign manager, informing that the telegram was an inadequate response and unless a responsive answer was filed immediately Mr. Smith would be deemed to have refused to arbitrate.

Fifteen minutes later I received a telephone call requesting information on the case from Mr. James Cannon who identified himself as a Special Assistant to Governor Nelson Rockefeller concerned with helping Republican Congressional candidates in New York. He said that Mr. Smith had discussed the arbitration request with him and that Mr. Smith would immediately telegraph an agreement to arbitrate.

On October 18, 1970 the Committee received Mr. Smith's telegram, sent October 16, 1970, agreeing to arbitrate on the condition that the arbitration include his countercomplaint that you called him a bigot, racist and liar. On the same day I sent copies of the arbitration agreement and the request for an expanded hearing to the executive and advisory committees, informing them I would transmit the case to the American Arbitration Association two days later unless they decided otherwise.

After two days had elapsed, I telephoned the American Arbitration Association, informing the organization unofficially that the case was transmitted for arbitration and, on the same day, sending them the official notification. Copies of all correspondence in the case already had been filed with the AAA in preparation for possible arbitration.

At that point, the American Arbitration Association took over the case and I have no direct knowledge of its handling, but from past experience I am certain that the AAA moved as expeditiously as possible to select arbitrators, get agreement on the arbitrators and the time and place of hearings from both sides, and complete the hearings and issue the findings.

On October 30, 1970 I received a telephone call from your press assistant, Richard McGowan, informing me that the arbitration finding gave you "a clean bill of health" but stating that another advertisement similar to the one in question had been run and demanding that the Committee "stop them from attacking us" and arrange for favorable publicity for you. If his request was refused, he said, it would prove that "nobody gives a —— about the Fair Campaign Practices Committee."

I informed him the Committee could not solve his publicity problems, for the Committee does not have the power—and I believe should not have the power—to tell the information media what political news stories or advertising to accept or reject.

On October 30, 1970 the Committee also received your 154 word telegram requesting a second arbitration hearing and sent you the rather brief reply.

On October 31, 1970 I received a telephone call from Mr. James Cannon in Governor Rockefeller's office complaining that he and Mr. Smith had understood that the arbitration hearing was supposed to be closed to the public but, included in your entourage at the hearing, was a reporter from the *Staten Island Advance*. Mr. Cannon also complained that, following the arbitration award, newspaper advertisements were run on your behalf repeatedly calling Mr. Smith "GUILTY" in large type.

Those are the facts from the Committee's files. I hope they will aid in your December 16th discussion of ways to improve the work of the Fair Campaign Practices Committee.

I am sure you know that the Committee was created as the result of Congressional consideration of the problems caused by declining campaign ethics. As we moved into the decade of the 50's, two subcommittees of the United States Senate held hearings on the political pollution of those days. Both subcommittees decided that they could not draft acceptable legislative language which would guarantee ethical conduct in campaigns—that, in effect, they could not legislate political morality.

The vacuum left by this Congressional decision was filled—upon recommendation of the subcommittees—by the private, nonprofit, non-partisan Fair Campaign Practices Committee.

As I commented earlier in this long letter, I applaud your efforts to pick up where the Senate left off. Please permit me to come to your office as soon as possible so that we can discuss the case further and determine what other assistance I can provide in connection with your special order on December 16th.

Sincerely,

SAMUEL J. ARCHIBALD,
Executive Director.

Mr. VAN DEERLIN. Mr. Speaker, our friend and colleague, JOHN MURPHY, has performed a distinct public service in reserving this time for a long-overdue discussion of the work of the Fair Campaign Practices Committee.

With most Members of this body, I applaud the goals of the committee. In its 16 years of existence, it has labored long and effectively to clean up political campaigning.

My criticism today is intended to be constructive. For while admiring the noble spirit of the committee, I also feel that in some instances it has either not been as effective as it might be, or else it has—altogether unwittingly—helped perpetuate the very political smears it is designed to combat.

Congressman MURPHY has given the House a detailed account of the committee's seeming inability to respond fully and in timely fashion to his complaints of unfair attacks against himself and his voting record.

I, too, was disappointed by the committee's performance during the recent campaign, but for a different reason. In this case, my opponent was able to use the committee as a forum to revive charges against me which had already been thoroughly aired in our local press. In other words, my opponent was able, through the well-intended offices of the committee, to squeeze out a little extra publicity mileage he otherwise would have been unable to obtain, for a story that barely a week earlier had been fully developed and then dropped by our local news media in San Diego.

The allegations involved contributions to my 1966 and 1968 election campaign. My opponent stated, at a full dress news conference on October 15, that some of those contributions may have been in violation of Federal laws prohibiting such help from corporations and labor organizations. He offered no evidence to support the charges, beyond names from records which my own earlier campaign committees had placed on public file. He conceded he was prompted to take this approach by notoriety which at the time surrounded the indictment of eight present and past members of the San Diego City Council on charges of bribery and violation of the California Elections Code.

The press immediately sought my reaction, and I issued a statement pointing out that I have never knowingly solicited or accepted an illegal contribution for any of my campaigns. Comprehensive accounts of the charges and my response to them were carried in the newspapers and over the airwaves.

Eight days later, I received a telegram from Samuel J. Archibald, executive director of the Fair Campaign Practices Committee. Mr. Archibald advised me that I should answer "immediately" a complaint of violation of the Code of Fair Campaign Practices filed against me by my opponent.

The "complaint," we discovered with some surprise, was a boiled-down version of what had been so thoroughly hashed out on October 15. Nothing new had been added by my opponent. But because of the high regard in which I hold the Fair Campaign Practices Committee, I did answer, by telegram, on October 26. Of necessity, because the case against me was just as tenuous as when my opponent fired his first salvo, my response to the committee was almost exactly what it had been 11 days earlier to the San Diego press.

I thought the matter would rest there, with the dispatch of my telegram to the committee. But no, for on October 27 the same article, by now somewhat threadbare and shortened, appeared again in the San Diego newspaper—this time under a Washington dateline and with attribution to the Fair Campaign Practices Committee. The committee had alerted the Washington representatives of the San Diego media. They had dutifully carried this rather stale story, but only because the Fair Campaign Practices Committee had lent its good name and prestige to what any fair-minded person would have to admit was by then a rather dubious venture on the part of my opponent.

The strange thing is that I never assailed the character or record of my opponent. I scarcely mentioned him at all. Rather, my opponent focused on previous campaigns and events which in no way involved him. In so doing, he attacked my own honesty and integrity, perhaps because he could not find any issues that might have raised the level of public debate in our campaign.

And yet, in the eyes of the Fair Campaign Practices Committee, my opponent was the possible "victim" and I was put on the defensive, in their book, as the suspected wrongdoer.

At the very least, this performance seems in direct contravention of the basic intent of the committee, which I understand is to discourage by public exposure the use of smear techniques in political campaigns. Here, of course, the net effect of the committee's involvement was precisely the opposite; the committee actually breathed new life into placid charges against a candidate's personal integrity.

I have only the highest regard for Mr. Archibald, an able, dedicated, and fair-minded man. But I wonder whether one man can adequately follow up on all the charges and complaints which are directed at the Fair Campaign Practices

Committee during the heat of an election campaign. Mr. Archibald has told my office there were 66 such complaints during the most recent campaign.

I believe in the committee and what it is doing. But I also believe that some of the problems we have been discussing here could have been prevented or at least alleviated if the committee were better able to check into the circumstances surrounding complaints.

Congessman MURPHY is on the right track in proposing creation of a Select Committee on Campaign Practices. Such a panel would be able to fully evaluate the work of the Fair Campaign Practices Committee, and hopefully bolster it, so it would be better equipped to carry out its mission.

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

Mr. MURPHY of New York. I am happy to yield to my colleague, the gentleman from New York.

Mr. PIKE. Mr. Speaker, I want to commend the gentleman from New York (Mr. MURPHY) for having taken the time to bring this very serious and controversial, and I hope nonpartisan matter, before the Members of the House.

I have had some similar experiences.

For example, I have here in my hand a document which went out as first-class mail all over my district—and it is a very professional job. The cover says, "What It Is Pike Didn't Tell You." Inside the punchline is—"$42,797,700,000 unreported in tax revenues."

Well, factually that is correct. But the answer is—it is also a fraud, because if I did not report in an annual report to my constitutents—first, an authorization bill; second, a conference report on an authorization bill; third, an appropriation bill, and fourth, a conference report on an appropriation bill—in essence, the same item four times, these were totaled up and they did add up to $42,797,700,000.

That was one of them.

We had a vote last year on the President's family assistance plan. We also had a vote on an amendment to that program.

If you remember the bill as it came out of the committee, it contained a provision that applicants for welfare would have to accept suitable employment. One of our more conservative Members offered an amendment to strike out the word "suitable." Believe it or not, I voted for that amendment and that amendment passed.

So thereafter applicants for welfare would have to accept employment, whether it was deemed to be suitable or not.

This is the radio commercial that went out by my opponent:

> If you have ever wondered why welfare give-away programs have gone wild while you could barely pay your bills, my opponent this year supported an amendment to remove from the welfare bill a provision that would have forced welfare applicants to accept suitable jobs.

That is what this radio commercial said—and essentially that too was true. I did vote for an amendment which would have struck out the word "suitable."

There ought to be some place that we can complain in a situation like that.

The worst thing, of course, that happens to any of us and it happened to me in a campaign which, unlike the gentleman from New York (Mr. MURPHY), did deteriorate rather badly was personal charges that I had been using my public office for private gain. These charges resulted in a complaint to the bar association and a letter to the Attorney General.

One of the things I would recommend in anything we do about this is that the charges which are made in the course of an election campaign may not be dropped after the election campaign is over. I think it would prevent the making of a lot of false charges. I think the charges ought to be prosecuted to the end, even after the election, and a determination made of the matter. I have begged the Bar Association to go on and hold hearings on the charges made against me and they cannot get an affidavit supporting the charges. So the charges are just going to disappear. But I do not think it ought to be done that way.

I have a certain sympathy with the Fair Campaign Practices Committee, because I expect they are understaffed and underfunded, and they just cannot handle these things. I think we must put some real national effort into doing something about this sort of campaign technique, which in essence destroys rather than elevates our political system.

I frankly did not bother to report my situation to the Fair Campaign Practices Committee, because I believed, sorrowfully, that I would not get any action out of them in time.

Mr. MURPHY of New York. Mr. Speaker, will the gentleman yield at that point.

Mr. PIKE. The gentleman has the floor.

Mr. MURPHY of New York. Many Members of the House would agree with the gentleman. Many candidates for the House, the Senate, and for governorships take this same attitude that it is a waste of time.

Mr. PIKE. That was essentially my own feeling. I feel sorry. Again, I have sympathy for them, because I expect they do have funding and staffing problems. But I commend the gentleman from New York for having brought this matter to the floor, and I do hope that something constructive can come out of it.

Mr. MURPHY of New York. I thank the gentleman.

Mr. MURPHY of New York. I want to thank the gentleman from New York for having the fortitude to come here and stay here tonight to relate his own personal example. We have a responsibility as professional politicians and as Members of Congress to protect the people from distortions in campaigns. It is not a question of whether you lose or I lose. The loser is the district and the people, and the responsibility is to protect them from distortion and innuendo and falsehood.

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

Mr. MURPHY of New York. I yield to the gentleman from New York, Mr. BIAGGI.

Mr. BIAGGI. Mr. Speaker, I am delighted to participate in this colloquy with my colleague, the gentleman from New York. I commend the gentleman especially for being distinctive in a particular sense. Too often during the election, where we feel when the comments are made that they are derogatory in nature and of the type spelled out and enumerated by the gentleman and by my colleague, the gentleman from the Fifth District, from Nassau, we promise that something will be done, but after the election tempo has subsided, and we either win or lose, time passes, and there is a diminution of interest.

The gentleman and I both know the practice. It is a horrible practice. I have observed the conduct of the campaign conducted in the Fifth Congressional District and in my judgment had it continued in that very vein—it had so offended the constituency to the point where the margin of victory was substantially narrower because the decency came out in people. But the fact does remain that the practices continue—not simply in congressional elections, but also in all types of elections.

We have established this Fair Campaign Practices Committee, which as observed by the Congressman from New York (Mr. LOWENSTEIN), performs a disservice in the absence of being effective. Its ineffectual status is something that should be remedied by compelling the committee to do a job effectively. By the gentleman's own frustration, which he spelled out this evening, it seems apparent to all of us: It should be made effectual or it should be abandoned.

The gentleman's suggestion that legislation be introduced and enacted into law is something we should address ourselves to with vigor, not simply, as the gentleman said, for ourselves as candidates, but also for the community. We have a right to conduct ourselves in a decent fashion. No individual who exposes himself to public office should without basis be subjected to ridicule, innuendo and false charges, and the like.

We have seen too many instances where individuals whose reputations have been impeccable over a lifetime have been destroyed by these false charges.

It has been established that the truth seldom catches the lie. It discourages people from participating in public life. It is important to the American way of living that this particular evil be removed.

The suggestion the gentleman makes is a commendable one. I sincerely wish him the very best. I will be there to support him.

Mr. MURPHY of New York. I thank the gentleman very much.

I should like to make another comment.

During the many elections in which I have been involved I have defended Members of the other body who were not of my party, competing in the same forum, from unfair charges, in the interest of fairness and in the interest of decency against unfounded charges. I have defended Members of the other party in their representation and their voting records without being asked to, but in the interest of fairness. I cer-

tainly believe that is the type of action we must expect and the type of feeling we must expect if we are going to have some decency in campaigning.

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

Mr. MURPHY of New York. I am happy to yield to the gentleman from Washington.

Mr. FOLEY. I want to join in complimenting the gentleman from New York on his fine statement and on focusing on a problem which I believe is nationwide in scope.

I am particularly pleased by the gentleman's emphasis, so properly placed, on the right of the constituency and of the American public to have a decent and honorable and accurate campaign on the issues. We have enough issues and differences to divide us legitimately, so that there is no need—and certainly not one shred of justification or desirability for—in any campaign, to focus on nonissues or innuendoes or slanders or reflections on the character or motivation of candidates in either party, whether incumbents or otherwise.

There is only one other comment I want to make. I had the misfortune, I believe I have to call it, of seeing some of the campaign literature which was directed against the gentleman from New York (Mr. LOWENSTEIN). I have counted it a real honor to have had the opportunity to serve with him in the 91st Congress. I personally know him as one of the most committed, able and articulate Members of the House of Representatives I have served with in this or any other previous Congress.

I know, for example, if there is anyone who is an opponent of violence it is AL LOWENSTEIN. It is little less than a political obscenity to charge him with support and encouragement of violence. He has been one of the most outspoken opponents not only of college violence but of any other violence in our society. This and so many other charges were made against him in his campaign. His record was defiled and distorted and totally misrepresented. I believe that is a shame. Whether it had any effect on his defeat or not I do not know, because he faced what I believe everybody conceded was an almost impossible race from the beginning because of gerrymandering of his district.

I am sorry as a Member of Congress that a man I admire so much had to be submitted to that kind of campaign. I hope if the reforms and suggestions the gentleman in the well has suggested take hold, as they should, and action is taken in the next Congress, that the sort of campaign Mr. LOWENSTEIN faced will not reoccur in the United States.

Mr. MURPHY of New York. I thank the gentleman from Washington.

Mr. HELSTOSKI. Mr. Speaker, during the recent election campaign I and a number of my colleagues were able to avail ourselves of the good offices of the Fair Campaign Practices Committee and the American Arbitration Association to settle for the public record instances of unethical political conduct on the part of our opponents.

I would like to take this opportunity to express my gratitude to both these organizations for making arbitrations of this kind possible and to offer some suggestions for improving the complaints process. As all Members are aware, the Fair Campaign Practices Committee solicits the pledge of all candidates for political office to abide by the Code of Fair Campaign Practices during the course of their election campaign. Upon receipt of a complaint that the code has been violated, however, there is no provision for automatic arbitration of the dispute. Arbitration is only agreed to by both parties after the charge has been made and can be avoided by the offender if he feels his advantage is best served by failing to appear. I believe that the importance of raising the level of dialog in political campaigns should dictate automatic and mandatory arbitration of charges in violation of the Fair Campaign Practices Code. Otherwise, each candidate's commitment to abide by the code has no real meaning.

I am further concerned about the failure of the Fair Campaign Practices Committee to take more direct part in handling publicity in connection with the arbitration and charge-filing procedures. Because of the committee's refusal to issue statements to the press, it was possible for my opponent to distort entirely the series of events leading up to the arbitration in which we were involved and to misrepresent the findings of the arbitration board. To prevent such further unethical practices from occurring, I feel the FCPC itself should, from the moment of the presentation of charges, issue statements declaring clearly the progress of consideration of the charges. The parties to the dispute would still, of course, be free to give their own versions of events, but newspapers and other media would at least have an unquestionable source to turn to for the facts.

In addition, Mr. Speaker, there needs to be stricter enforcement on the part of the FCPC of the rules for filing of charges, especially the time limitations between notification of the receipt of charges and actual acceptance and carrying out of arbitration. In the case of the arbitration in which I was involved, my opponent was granted repeated extensions of time for consideration of the charges which I lodged against him, all of which served the purpose of what was ultimately a tactic of delay and avoidance on his part.

Notwithstanding my suggestions for improvement of the operating procedures of the FCPC, I am extremely grateful to Mr. Sam Archibald and his committee for their cooperation in making the fair campaign grievance procedure available to me. I also wish to thank the members of the American Arbitration Association who so generously make their professional time available for the purpose of insuring fairness and honesty in political discourse. Their goal of ethical political campaigning is one which I am sure we all share and which we are most fortunate to have their aid in securing.

Mr. KASTENMEIER. Mr. Speaker, I am familiar with the details of the difficulties my colleague (Mr. MURPHY) had in achieving a satisfactory resolution of the complaint he filed with the Fair Campaign Practices Committee during the recent congressional campaign. As one who has had occasion to use the services of the committee in past years, I can sympathize with his inability to resolve the matter to his satisfaction, despite a favorable decision from an impartial board of arbiters. Indeed, I think it is most regrettable that his opponent was unwilling either to act on the basis of the original complaint or to accept the decision of the arbitrators.

Although I had no occasion to call upon the committee for assistance in halting unfair campaign tactics in the recent election, in both my 1966 and 1968 campaigns, I found it necessary to file a formal complaint with the committee. Fortunately, on both occasions, my opponents withdrew the objectionable advertising promptly after the Fair Campaign Practices Committee gave notification of the complaint and requested an answer to the complaint. As a result, in both cases it was not necessary to take further action. I think the results in both instances reflected great credit on the Fair Campaign Practices Committee and the high esteem which candidates of both political parties in my state of Wisconsin have for it.

Mr. Speaker, while I can understand the problems raised by the gentleman from New York (Mr. MURPHY), in matter of this sort, however, I do not think it is fair that the committee should be blamed for its lack of authority in policing the conduct of congressional campaigns. Rather, we should ask ourselves, based on our own experiences both as Members and candidates, what can be done to cloak the committee or another organization with a similar purpose with greater powers to intervene and suppress objectionable and dishonest campaign practices. I do not believe we have satisfactorily answered this question.

Furthermore, one of the problems which leads to the disenchantment of our young people, which I and many others have complained about, is precisely this practice of resorting to unethical and improper charges designed to destroy the credibility and character of various political candidates. This undermines the political process and it is another reason why we must seek a way to halt such practices.

Mr. Speaker, this discussion of how to strengthen the work of the Fair Campaign Practices Committee is a valuable one, and the gentleman from New York (Mr. MURPHY) is to be commended for bringing this question to our attention.

Mr. BROWN of California. Mr. Speaker, I have long felt that there is a great need in this Nation's campaign practices for a vehicle that would promote honesty and fairness by candidates during the heat of an election.

I want to commend the gentleman from New York (Mr. MURPHY) for providing this opportunity for a forum in this regard. It is a problem which has

not seen any really workable solution brought forth to date, to my knowledge.

Insofar as the Fair Campaign Practices Committee, itself, I want to say that I have availed myself of its assistance a number of times over the years. I have always recognized the fact that the committee had its limitations, because of the nature of the organization and the nature of the problem which it is trying to give assistance with.

Personally, I have never found cause to be unhappy with the help I was given, although I have never had the occasion to follow up a complaint to the extent my colleague was forced this year. In general, my expectations of the assistance I would receive from the committee were in line with what the committee is able to provide, I feel.

If my recollection is correct, it was not until the 1968 elections that the Fair Campaign Practices Committee developed the plan of attempting to get opposing candidates to agree to arbitration. I was quite pleased with this additional service, but realized that it did not represent the optimal solution to the problem.

It is my hope that this discussion can present some insight into the needs and, hopefully, some positive approaches toward the elimination of unfair, false, and unscrupulous smear campaigns. I have considered myself to be the victim of this type of campaign too often.

In hopes of contributing to the dialog, I would like to insert in the RECORD at this point a copy of the letter which Mr. Sam Archibald, Executive Director, Fair Campaign Practices Committee, Inc., sent to the gentleman from New York which presents his reaction to our colleague's general distribution letter announcing his intention to ask for this special order:

FAIR CAMPAIGN PRACTICES COMMITTEE, INC.,
Washington, D.C., December 7, 1970.

Hon. JOHN M. MURPHY,
Longworth House Office Building,
Washington, D.C.

DEAR CONGRESSMAN MURPHY: Your letter of December 3, 1970 to your colleagues in the House of Representatives has been forwarded to the Fair Campaign Practices Committee by many of them. I will notify all members of the Committee's Board of Directors of your plan for a special order on the House floor December 16th to discuss ways to strengthen the Committee.

Pending their response, I can say that I applaud your efforts. The work of the private, non-profit, non-partisan Committee is always rewarding but often frustrating. Those who win elections after using the Committee's facilities often complain that the Committee did not do enough; the losers often complain that the Committee did too much.

And to top it off, as the Committee's educational efforts become more successful, its financial support decreases. As the Committee highlights dirty politics and shows voters and candidates how to combat the evil, the financial supporters become convinced that the evil is growing. And they blame the Committee for the growth.

Dirty politics is not increasing; public disgust with dirty politicians *is* increasing—thanks, largely, to the work of the Fair Campaign Practices Committee over the last 15 years. But as the Committee points out the problems and recommends improvements in the democratic process which will lead to solutions, those who want Instant Utopia blame the Committee for the political shortcomings of the moment.

That brings me to the matter which compels you to take the floor of the House of Representatives on December 16, 1970.

You say that the Fair Campaign Practices Committee took a long time arranging for arbitration of your complaint of violation of the Code of Fair Campaign Practices; that the arbitration decision was completely on your side; that publicity about the arbitration decision was not everything you hoped and that the Committee "curtly refused" to reopen arbitration proceedings when you asked for a second hearing four days before the election.

You have some valid points there. Four days before the election your press assistant, using vile and vicious language, telephoned a demand that the Committee solve your publicity problems and that a new hearing be set up. When both requests were denied, the Committee received a 154 word telegram in your name repeating the demands for publicity assistance and for a new hearing.

The answering telegram from the Committee stated: "No."

That, I admit, was a curt refusal. But the reason for the refusal was obvious: the Fair Campaign Practices Arbitration Rules do not permit the Committee to participate in the arbitration process—including handling the publicity—after a case is turned over to the American Arbitration Association and there certainly was not time for a new hearing on the same subject on the weekend before election day.

In checking the files on the Committee's handling of your case, I ran across some other interesting information. Our files are, of course, public records and open to you, your staff or anyone who wishes to browse through them. Here is a digest of facts from the files.

On October 6, 1970 your initial complaint of violation of the Code of Fair Campaign Practices was delivered by messenger to the Committee's offices. On the same day the Committee sent a letter to your opponent, Mr. David Smith, asking him to answer the complaint.

On October 7, 1970 you telephoned to request information about the Committee's procedures and I explained them, including the arbitration process.

On October 9, 1970 at 10 AM the Committee received registered letter No. 202623 from you, requesting arbitration but not including an agreement to abide by the findings as required by the rules which you had been given. I telephoned your Mr. McGowan, informing him of the shortcoming, and a corrected request for arbitration was received by messenger at 10:40 AM. On the same day the Committee sent your opponent, Mr. Smith, registered letter No. 340756 transmitting your request for arbitration and informing him that the Fair Campaign Practices Arbitration Rules required an answer within three days of the receipt of the request.

Mr. Smith received the request for arbitration on October 12, 1970. Meanwhile, I informed the Committee's seven member executive committee and three member advisory committee of the request for arbitration, telling them I would transmit the case to the American Arbitration Association unless they objected or unless Mr. Smith refused to arbitrate.

On October 15, 1970 Mr. Smith answered the arbitration request by telegram, stating he would serve as mediator between you and the organization which had placed the advertisements which were the basis of your complaint of violation of the Code of Fair Campaign Practices.

On October 16, 1970 I telephoned Mr. Joseph R. Sciacca, Mr. Smith's campaign manager, informing him that the telegram was an inadequate response and unless a responsive answer was filed immediately Mr. Smith would be deemed to have refused to arbitrate.

Fifteen minutes later I received a telephone call requesting information on the case from Mr. James Cannon who identified himself as a Special Assistant to Governor Nelson Rockefeller concerned with helping Republican Congressional candidates in New York. He said that Mr. Smith had discussed the arbitration request with him and that Mr. Smith would immediately telegraph an agreement to arbitrate.

On October 18, 1970 the Committee received Mr. Smith's telegram, sent October 16, 1970, agreeing to arbitrate on the condition that the arbitration include his counter-complaint that you called him a bigot, racist and liar. On the same day I sent copies of the arbitration agreement and the request for an expanded hearing to the executive and advisory committees, informing them I would transmit the case to the American Arbitration Association two days later unless they decided otherwise.

After two days had elapsed, I telephoned the American Arbitration Association, informing the organization unofficially that the case was transmitted for arbitration and, on the same day, sending them the official notification. Copies of all correspondence in the case already had been filed with the AAA in preparation for possible arbitration.

At that point, the American Arbitration Association took over the case and I have no direct knowledge of its handling, but from past experience I am certain that the AAA moved as expeditiously as possible to select arbitrators, get agreement on the arbitrators and the time and place of hearings from both sides, and complete the hearings and issue the findings.

On October 30, 1970 I received a telephone call from your press assistant, Richard McGowan, informing me that the arbitration finding gave you "a clean bill of health" but stating that another advertisement similar to the one in question had been run and demanding that the Committee "stop them from attacking us" and arrange for favorable publicity for you. If his request was refused, he said, it would prove that "nobody gives a ---- about the Fair Campaign Practices Committee."

I informed him the Committee could not solve his publicity problems, for the Committee does not have the power—and I believe should not have the power—to tell the information media what political news stories or advertising to accept or reject.

On October 30, 1970 the Committee also received your 154 word telegram requesting a second arbitration hearing and sent you the rather brief reply.

On October 31, 1970 I received a telephone call from Mr. James Cannon in Governor Rockefeller's office complaining that he and Mr. Smith had understood that the arbitration hearing was supposed to be closed to the public but, included in your entourage at the hearing, was a reporter from the *Staten Island Advance*. Mr. Cannon also complained that, following the arbitration award, newspaper advertisements were run on your behalf repeatedly calling Mr. Smith "GUILTY" in large type.

Those are the facts from the Committee's files. I hope they will aid in your December 16th discussion of ways to improve the work of the Fair Campaign Practices Committee.

I am sure you know that the Committee was created as the result of Congressional consideration of the problems caused by declining campaign ethics. As we moved into the decade of the 50's, two subcommittees of the United States Senate held hearings on the political pollution of those days. Both subcommittees decided that they could not draft acceptable legislative language which

would guarantee ethical conduct in campaigns—that, in effect, they could not legislate political morality.

The vacuum left by this Congressional decision was filed—upon recommendation of the subcommittees—by the private, nonprofit, non-partisan Fair Campaign Practices Committee.

As I commented earlier in this long letter, I applaud your efforts to pick up where the Senate left off. Please permit me to come to your office as soon as possible so that we can discuss the case further and determine what other assistance I can provide in connection with your special order on December 16th.

Sincerely,

SAMUEL J. ARCHIBALD,
Executive Director.

PROJECT EQUALITY

The SPEAKER pro tempore (Mr. JONES of Tennessee). Under a previous order of the House, the gentleman from Illinois (Mr. MIKVA), is recognized for 60 minutes.

Mr. MIKVA. Mr. Speaker, I rise to address the House on one of the most successful civil rights activities in history. Mr. Speaker, this year, Project Equality, the only national civil rights organization based in Chicago, is celebrating its fifth anniversary year. Today it is the largest private equal opportunity employment advocate in the United States. Since 1965, Project Equality has committed itself to get more jobs for minority groups through what it terms "a workable formula for spending religious money in a moral manner," that is, not doing business with an unjust employer. With Government efforts such as the Philadelphia Plan obviously inadequate and faltering badly, and, according to recent studies, making really no significant inroads into the problem of equal employment, Project Equality has managed to transform its words into deeds. It has provided jobs to the jobless and given hope to thousands of minority workers who, while previously not having strength in organized numbers, had little chance of receiving good positions or opportunities to even apply for them. Early in 1970, the Ford Foundation noted that since 1968, 4,000 new jobs for minorities had been located by Project Equality. At this moment, it is estimated that the program creates between 1,000 and 1,200 jobs per month.

As we are all aware, the social problems confronting us are subtly interrelated. To understand the rise in crime or the civil discontent in our country is to understand that a man without a job, unable to support his family must get money in some way, and a man who knows he does not have an equal chance to obtain a job is a discontent man. What follows are the conditions present in our cities. Perhaps a rather simplistic explanation, but today the national unemployment rate in the black community is double that of whites. In our major cities, black unemployment reaches as high as three times that of whites. Obviously the Federal Government has been unable to meet the problem head on and combat it in an adequate manner.

Project Equality is aimed at reversing the pattern whereby minorities are the last to get jobs and the first to lose them. It has convinced a large segment of the religious community that it is morally wrong to do business with firms who engage in unfair employment practices. Working from this premise, Project Equality will not trade with a supplier of goods or services until that supplier commits himself in writing that he will take steps to establish a policy of equal employment opportunity. After receiving a head-count of minority group employees in that supplier's employ, that supplier is placed in the Project Equality Buyers' Guide, the 1970 issue of which contains the names of 2,890 business firms who have pledged their full efforts to maintain fair-employment practices. It is in this vital guide book that the pressure lies. At this point in time, hundreds of religious institutions across the country are made aware of those businesses who, in fact, are equal employment opportunity employers. In this way, a potential $3 billion purchasing power goes a long way.

In instance after instance, PE has received calls from suppliers wanting to know how to be listed in the buyers' guide. Finally, compliance reviewers meet with the supplier to assess his personnel situation and offer aid in upgrading minority employment.

This then, is briefly how an outstanding job is being done by an outstanding group of people. I am especially proud of Project Equality because of its base in Chicago where its efforts have been invaluable.

I commend this organization for doing what the Government is failing to do: to effectively look after the rights and well-being of the minority groups in this country. I also want to commend my colleague and friend from Detroit, JOHN CONYERS for his interest and great involvement in this program; I think it would be of interest to all of us here to know that Congressman CONYERS has been nominated to serve on the national board of directors of Project Equality.

And so Mr. Speaker, through a dedicated, untiring effort spanning years, Project Equality, I believe, has set an example showing what strength in numbers can accomplish. It is an example where power has been assumed by the people when its Government has faltered. PE has lived up to its theme: "words must be made into deeds"—it might be a theme for all of us to adopt.

Mr. GONZALEZ. Mr. Speaker, Project Equality, the Nation's largest private fair-employment program, is now celebrating its fifth anniversary year. I wish to salute the 17 Project Equality offices across the Nation serving 23 States, and to call special attention to the office very ably serving the city of San Antonio, which I represent.

The National Catholic Conference for Interracial Justice, a Chicago-based organization, initiated the project in 1965. Now the Project Equality Council governs the offices nationally from Chicago.

The central purpose of the projects is certainly commendable—to remove employment barriers for those willing and able to work by the use of "affirmative buying"—buying only from suppliers who provide equal employment opportunities. Nearly 400 major religious bodies have banded together to "declare that henceforth their money will all be spent in a moral manner." This means that their churches, parishes, synagogues, schools, hospitals and related institutions will demand a pledge from all suppliers of goods and services for active participation in equal employment practices. The PE Buyer's Guide, then, is published annually listing the cooperative suppliers.

The strength of this project is demonstrated by the fact that the churches of this country have a purchasing power of more than $3 billion. The 1970 buyers' guide contains the names of 2,890 business firms that have pledged their full cooperation by submitting complete reports of their personnel statistics and an outline of their present fair employment programs. In addition the firms have agreed to undergo compliance reviews on request of a Project Equality office.

In San Antonio this effort was begun back in 1965 by the San Antonio Archdiocese, and since 1968 the Project Equality Office has become ecumenical. The ecumenical efforts have led to participation in the program by more than 200 business firms in San Antonio. Moreover, the project office has branched out to Houston in 1969 and will probably establish another office in Dallas next year. The executive director of the Project Equality Office of south Texas is Mr. Joseph R. Edelen, very well assisted by Mrs. Maria Martinez. The president of the board of directors is Mr. Mathew Ahmann.

Project Equality is getting results by united "affirmative buying" in San Antonio. And statistics produced by a pilot study suggests that nationally, the projects are producting jobs at the rate of 1,200 per month.

This is, indeed, ecumenism in action. I commend the program and all its participants. I hope that the actions of this program can be an example for other groups interested in equal employment opportunities.

Mr. CONYERS. Mr. Speaker, today we pay tribute to the fifth anniversary of Project Equality, an organization dedicated to the achievement of equal employment opportunity for all men in all aspects of employment.

The steadily rising rate of unemployment only serves to reinforce the adage which black citizens of America have encountered whenever and wherever they look for work: "Last hired and first fired." Unemployment statistics for 1970 show a peculiar disparity between jobless whites and jobless blacks—5.1 percent of white workers are unemployed as compared to 9 percent of black workers. This comparison becomes even more striking in our Nation's largest cities. In Detroit, a fairly typical example the unemployment rate for blacks rose to 12 percent in 1970 as compared to 6 percent for whites. Among Detroit's black and brown teenagers—again typical of the Nation's urban youth—the unemployment rate is even more appalling—an incredible 36 percent go jobless.

Equally as vicious as the high rate of unemployment for blacks and other

minority groups is the subtler discrimination in job hiring practices. Blacks generally find themselves clinging to the lower rungs of the business salary and opportunity ladder. The lack of job opportunity for blacks can only be described as a form of slavery in disguise. Menial jobs mean low income, which means poor housing in a poor neighborhood, which means inferior education for children, which means that the children in their turn will find only menial jobs, and so on forever: the black man is "kept in his place." Naturally, in a business squeeze such as we experience today, the unskilled and entry level jobs are the first to be cut, and with them go a disproportionate number of blacks and other minority group members. Certainly there is need for drastic change in the structure of the employment system as a whole, a change which abolishes discrimination in job hiring practices both in its intended and accidental forms.

Full employment for all people—white as well as black and brown—should be a most important consideration for our time. The connection between unemployment and other social ills is all too readily apparent, particularly in those areas where the unemployment rate is high—the urban ghettos. Why not take drugs if you have nothing else to do but sit on the corner? Why not steal if you have no other way to feed your family? The black community and other minority groups suffer a double blow from discriminatory employment practices; they don't get the jobs, but they do get the problems. Many citizens of our great Nation fail to understand that if a man can get a good job, you no longer have to worry about public housing or food stamps for him and his family; with a good job, he leaves the welfare role and becomes a taxpayer just like the rest of us.

With laudable success. Project Equality has endeavored in the past 5 years to correct the injustices in employment practices. I am particularly pleased with the accomplishments of Project Equality because one of the first and most successful Project Equality programs was established in my home city of Detroit in 1964. I might add that the national chairman, John Cannon, is also from Detroit. Since its inception, the Detroit PE office has compiled an admirable record. In 1968 they produced 550 jobs for minority members—mostly black—in the Detroit area. In 1969 they doubled that figure, producing over 1,000 jobs, and 1970 promises to be even better.

Equally important are the moral ramifications of Project Equality's success. The Civil Rights Act of 1964 pointed out to us clearly that job discrimination is not going to end just because there is a law against it. In a democratic society, it is the spirit behind the law that makes it enforceable; we do something because it is right and just. Project Equality puts the principles of justice into action and practices what the church preaches about the brotherhood of all men. It strives for full equal employment opportunity not because it is a law but because anything less is immoral. Project Equality shows the young, the black, and the poor that hope still exists for effective social change and improvement through the system.

Project Equality demonstrates that even the institutional church can become a potential force for social revolution if it will only accept a few twentieth century premises. Nothing speaks louder than money in the 20th century. Project Equality has set out to prove that equal employment opportunity is not only more just but also more profitable than discrimination. But we all await the day when such fine organizations as Project Equality will be unnecessary.

TRIBUTE TO THE HONORABLE JOHN O. MARSH, JR.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. ABBITT) is recognized for 60 minutes.

GENERAL LEAVE

Mr. ABBITT. Mr. Speaker, I ask unanimous consent that I may revise and extend my remarks and that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. ABBITT. Mr. Speaker, with the closing of the 91st Congress, we wish to pay special honor to Representative JOHN O. MARSH, JR., of Virginia, who is retiring from the House. All of us join in wishing JACK the very best of success as he leaves us and he goes with the affection of the membership of the House, with whom he has served with distinction for the past 8 years.

All of us who know JACK and who have worked with him during his service here recognize him as a dedicated public servant who approaches each task with earnest dedication and boundless energy. His decision to voluntarily retire from the House is one we accept with mixed emotions. We recognize his desire to follow other pursuits, but his loss to this body will be felt by all who know him as well as to those activities to which he has given so much time and attention. We know, however, that wherever he goes and in whatever pursuits he engages, he will be an active force for good and will continue to stand for those high principles for which he is so well known and highly regarded.

Congressman MARSH is representative of those qualities which has made America great. All through his adult life, he has involved himself in the affairs of his community, his church, the public schools, and other organizations and by so doing has added much to the betterment of each. He is devoted to his family, but has exhibited all of the qualities of good citizenship which in turn make society better.

JACK has always believed that a good citizen must share in the responsibility for making government work. His activities started early in life and his accomplishments have been recognized by all of the many organizations to which he has given his time and energy. He was for many years active in the Jaycees and in 1959 the Virginia Jaycees designated him the "Outstanding Young Man in Virginia" for that year. He was awarded the distinguished service medal by the Virginia Department of the American Legion for his work in that organization. He has also been active in the Veterans of Foreign Wars, National Guard Association of the United States, American Bar Association, Masonic Lodge, Phi Kappa Psi, Omicron Delta Kappa, and numerous other groups.

JACK does nothing halfheartedly, as was exemplified in his service in World War II. Commissioned at the age of 19, he took advantage of numerous opportunities to put his talents to work—serving as a paratrooper. He is presently a lieutenant colonel in the Virginia National Guard.

Born in Winchester, Va., on August 7, 1926, he attended the public schools in Harrisonburg and Washington and Lee University, where he received his law degree. He was admitted to the Virginia bar in 1952 and established his law practice at Strasburg. He served as a member of the Shenandoah County School Board and as town judge at Strasburg, as well as town attorney of New Market. He is an elder in the Strasburg Presbyterian Church and is a life member of the Virginia Jaycees.

JACK has been an active Member of the House since coming here in January 1963. He has served in a distinguished way on three committees of the House and his colleagues respect the dedicated and industrious manner in which he discharges his duties. He has been particularly dedicated to his committee work, devoting long hours and much study to the issues which come before the subcommittees on which he serves. During his early service here, he was a member of both the Committee on Interior and Insular Affairs and the Veterans' Affairs Committee. Later he became a member of the House Appropriations Committee and has played an important role in the affairs of the Subcommittee on the Department of Interior and Related Agencies and the Subcommittee on Independent Offices and Housing and Urban Development.

He has also served as a member of the American Revolution Bicentennial Commission and as a member of the advisory committee working on the papers of George Washington.

JACK is loved by his constituents, respected and admired by his colleagues and we all wish him well.

I now yield to my colleague from Virginia (Mr. DOWNING).

Mr. DOWNING. Mr. Speaker, it is with sincere regret that we say goodbye to our dear friend, who has served so well in these hallowed Halls. JOHN O. MARSH, JR., came to the House of Representatives in 1962 and he has worked diligently and effectively not only for the people of his district and State, but also for the people of the United States as a whole.

He was fortunate in being appointed to the Committee on Appropriations, one of the most important committees in the

House of Representatives. His work on that committee has been highly regarded by his colleagues who hold him in the highest respect.

Beside being an outstanding Congressman, JACK MARSH is a warm, personable, and human man with a sense of humor which is so delightfully expressed. He takes every responsibility seriously and dedicates himself to doing the best job that can be done.

The good people of the Seventh Congressional District of Virginia can be justly proud of their favorite son. He has represented them with honor and dignity which has reflected great credit on them. He is a true Virginian in the finest sense of the word and one who I am proud to call a friend.

For reasons best known to him, he has decided to retire from Congress. His colleagues regret that he has made this decision because in these times of uncertainty and confusion our Congress needs all the "JACK MARSHES" it can get. He is still a comparatively young man with a very bright future. It will be interesting to see him develop that future.

I wish for him and his lovely family every happiness and success in the years to come.

Mr. ABBITT. Mr. Speaker, I thank the gentleman for his contribution.

I now yield to the gentleman from Virginia (Mr. SCOTT).

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

I would like to commend him for bringing this matter before the House this evening. Certainly I join in the expressions that have been made by both of my colleagues from Virginia and would assure you that the admiration they have for JACK MARSH is shared by his colleagues on this side of the aisle.

JACK distinguished himself in his community before coming to the Congress in his civic, his fraternal, his religious, and his veterans work as well as in his practice as an attorney and while serving on the bench. I think we over here think just as much as the Democrats on the other side of the aisle do of JACK. I would join in the expressions of good wishes that he have a very happy and successful life as he goes back to the 7th Congressional District of Virginia.

My own congressional district has a common border with his. I have over the time I have been here in the House heard good things said by people up and down the boundary about JACK MARSH.

Mr. Speaker, I do not want to say too much, because this is still a young man. It might be that at some time in the future we would have him as an adversary. But I would say should that happen, he would be a most worthy adversary.

Mr. Speaker, I wish him and his family the very best.

Mr. ABBITT. I thank the distinguished gentleman for his contribution.

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

Mr. ABBITT. I yield to the distinguished gentleman from Virginia?

Mr. SATTERFIELD. Mr. Speaker, it is with a sense of loss that I rise to acknowledge the retirement of my friend and colleague, JOHN O. MARSH of Virginia's Seventh Congressional District.

I consider it an honor and privilege to have served with him in this body and to know and associate with him. That experience has impressed me with the dedicated and outstanding service he has rendered not only to his constituents but also to the people of the Old Dominion and of our Nation. His loyalty to country and commitment to principle, both beyond question, cast him in the mold of those outstanding statesmen who in the past helped perfect this nation of free men and to guide it through the years to its present station of power and wealth.

As a colleague, I have come to perceive his keen understanding of our Constitution, the relationship between the components of our federal system of government and his grasp of the spirit of self-government secured by that constitution.

I have witnessed his actions on this floor where on more than one occasion he has placed principle above all other considerations and acted accordingly without regard to the possibilities of adverse personal repercussion.

JACK MARSH has been a solid, dependable legislator whose presence will be sorely missed in the 92d Congress.

It is regrettable that he has chosen voluntarily to terminate his service in Congress. I know my colleagues in the House join me in extending to him and his family our sincere best wishes for success, happiness and good health in the years ahead.

Mr. ABBITT. I thank the gentleman for his contribution.

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

Mr. ABBITT. I am happy to yield to the distinguished gentleman from Virginia who represents the Ninth Congressional District (Mr. WAMPLER).

Mr. WAMPLER. Mr. Speaker, it was with a sense of regret that I learned earlier this year of the intended voluntary retirement of our friend and colleague, the gentleman from Virginia (Mr. MARSH). Although I have not been privileged to know him as long as some others in this body, I have developed a very high regard and respect for his ability and his integrity during the 4 years that I have been privileged to serve here.

I think JACK MARSH has been a true Representative of the people in the most noble sense of the word. He is a man who has been a very strong advocate of those principles which have made our beloved Republic what it is.

So, it has been a privilege for me to serve in the House of Representatives with JACK MARSH.

Mr. Speaker, we shall miss him and I wish for him and his family the very best the future can hold.

Mr. ABBITT. I thank the gentleman very much.

Mr. DANIEL of Virginia. Mr. Speaker, will the gentleman yield?

Mr. ABBITT. I am happy to yield to the distinguished gentleman from Virginia.

Mr. DANIEL of Virginia. Mr. Speaker, I rise to associate myself with the remarks which have been made by my colleagues with respect to our retiring friend, JOHN O. MARSH.

Mr. Speaker, I rise to pay tribute to a great American. I know of few men who have a higher sphere of thought, one who has enriched and inspired the lives of those who he didst touch.

Mr. Speaker, my first experience with JACK MARSH was in 1962 when the two of us served as officers in the National Security Council of Virginia.

I observed him in his work with the opinion-forming organization, the Junior Chamber of Commerce, and it was through his efforts I think that many of the sound programs that organization has carried forward were made.

JACK is a colonel in the Virginia National Guard. He has served his country honorably and well in the military forces. In my first year in the Congress it was my pleasure to take an orientation trip around some of our military bases here in the United States, and I observed when we arrived at Fort Benning JACK MARSH in the jump school—he continues his activities with the military forces.

He served this country of ours honorably and well also as a member of the Committee on Appropriations.

Mr. Speaker, I want to express to him my personal appreciation for the tremendous help he has been to me as a freshman Congressman. I have never called upon him for advice that he did not give me, and his advice has always been sound.

I certainly wish JACK well in his new endeavor, whatever that might be, and to he and his family I wish a happy and peaceful Christmas, and an abundance of the good things of life in the years to come.

Mr. ABBITT. I thank the gentleman very much for his comments.

Mr. POFF. Mr. Speaker, from the moment I first met him, I have admired JACK MARSH. I admire JACK MARSH because he is a strong man. He is strong physically. He is strong in mind. He is strong in heart. He is strong in habit. He is strong enough to resist every attempt at tyranny over the mind. He is strong enough to be compassionate for the weak. He is strong enough to discipline his own appetites and conduct. He is strong enough to subdue his own passions in a proper pursuit of moderation. He is strong enough to submerge his personal ambition in exaltation of his deep conviction.

I count myself fortunate to have been privileged to work in the legislative vineyard with such a strong man. Out of our fellowship has sprung a friendship which will survive the sorrow of his departure from this body and will, I earnestly hope, follow us both down to our latter days.

Mr. BROYHILL of Virginia. Mr. Speaker, in the long rollcall of Virginians who have served this Nation in the Congress, few have earned more respect or gained more fast friends than the Virginian we say farewell to today.

I regret JOHN MARSH'S decision to retire from Congress; as a friend; as a colleague; and as a fellow Virginian.

Our Virginia delegation is a bipartisan delegation, but we work closely together

in the best interests of our Commonwealth and our Nation. JACK MARSH typifies the cooperative spirit which has enabled us to do so. He is always available, ready, willing, and able to cooperate with us in our mutual goals.

JACK has served with a determination and devotion that is a hallmark of public service. He has been tireless, even-tempered, courteous, and courageous in the rough and tumble of public debate.

He loves his country, his family, and the friends he has made here on both sides of the aisle.

Whatever his future, he will be remembered with warmth and affection by me and by all who know him well. I wish him Godspeed and God's blessing.

Mr. MONTGOMERY. Mr. Speaker, I, like so many of my colleagues, will miss the presence of JOHN MARSH, of Virginia, when the 92d Congress convenes in January. JACK, as I have come to know him, has always been a very articulate person and had the ability to cut to the heart of those issues we debate in this Chamber. On numerous occasions I have looked to him for guidance because of his experience and fair-minded approach to legislation. One reason Congressman MARSH and I have been drawn close together is that we are the only two Members of Congress who are still active in the U.S. National Guard. In his capacity as a Congressman, my colleague has traveled to Vietnam and his advice has been quite helpful to the military authorities there because of his past and present experience in the military. JACK, I am sure my colleagues will join with me in wishing you well following your retirement from this body.

We all feel quite fortunate that you have decided to pursue a legal career in Washington beginning next year so that you will be close by when we need to call on you for advice.

Mr. BOLAND. Mr. Speaker, I am pleased to join with my other colleagues in this body to recognize the distinguished service of our colleague and very good friend, the gentleman from Virginia, Congressman JOHN O. MARSH, JR. It was a great surprise to many of us to learn earlier this year of his decision not to seek reelection to the 92d Congress.

Before coming to the Congress of the United States, JACK MARSH already had a distinguished career in the service of his country, as a lawyer, and in community service of all kinds. In 1959 he was honored by the Junior Chamber of Commerce of the State of Virginia in being designated the "Outstanding Young Man in Virginia."

JACK MARSH was elected to the U.S. House of Representatives in the 88th and succeeding Congresses. For the last 6 years we have worked together on the Committee on Appropriations, where he has served ably and with high distinction. He has been a member of the Department of Interior and Related Agencies Appropriations Subcommittee in the 89th through 91st Congresses, and for the last two Congresses he has also served as a valued member of the Independent Offices and Department of Housing and Urban Development Subcommittee in reviewing the appropriation requests and recommending to the Congress appropriations for some 22 agencies of Government.

Congressman MARSH is a man of integrity. His word is honored. He is a man of independent judgment. When he searches out the facts and decides what he feels is the honorable and right position to take, you know where he stands. We will certainly miss his valuable contributions in the Congress next year.

There is no doubt in my mind that he would have been overwhelmingly re-elected had he decided to continue in the Congress. His departure to, what will certainly be, the tranquillity of private life is a loss to both the Congress, his State, and his district.

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

Mr. ABBITT. I will be most happy to yield to my distinguished colleague.

Mr. MARSH. Mr. Speaker, I thank the gentleman for yielding, and I thank him for the courtesy and the thoughtfulness that has been displayed by what he has done here this evening. Certainly I do not want to be one who plays a part in any prolonging of the 91st Congress, but I would like to thank my colleagues from the Old Dominion, and those other colleagues of the House of Representatives for what they have done.

You should not come here to pay tribute to me, rather, I come here to pay tribute to you. And as I look to the 92d Congress of the United States, and as I look at the problems I know that will confront you, I am ever mindful that the great representative power of our country is vested here in this body that represents the people.

As you know, the congressional district I represent is the Thomas Jefferson Congressional District, and it was first represented in the Congress of the United States by James Madison, and I suspect that they knew then what we see now, and as we look at these next few years when really we will move into the bicentennial period of our great country, we will be reminded that it was the Congress of the United States that in those crucial years gave birth to the American Republic.

So again I would thank you for having shared with me these opportunities to represent the people of the United States, and in the Christmas season and in the coming year I wish to you and to your loved ones the very best, for you and for our Nation.

Again I say that I am grateful to you for what you have done for me.

Mr. ABBITT. Mr. Speaker, I thank the gentleman, and I know that I express for all of my colleagues, those who are here, and those who could not be here because of the late hour, to JACK MARSH the very best of everything. We will miss you tremendously. But you may be wiser than many of us, because you are at the time when you are in the prime of life, when you go home and really can accomplish many of the things that we would like to do here.

You will be out breaking new grounds while we will remain here. I know you will have an illustrious career in the private field. We wish for you the best and your family the very best of everything. We also want you to know that whenever you need us we are here, and can be available to be of assistance, and we might be able one of these days to be of assistance to you, and we want you to know that we will do our best to be of such assistance to you.

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

SOVIETS PLAYING FOR HIGH STAKES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. FEIGHAN) is recognized for 30 minutes.

Mr. FEIGHAN. Mr. Speaker, the Soviets have reached what they regard as strategic nuclear parity with the United States. This nuclear standoff now provides them with an umbrella under which they can expand Soviet power along conventional lines. This means expansion of Soviet political, military, and economic power all over the world to weaken the influence of the United States in world affairs.

The most important element in this Soviet thrust, as a British Kremlinologist notes, is that "the Soviets are a great power, and they want the facilities that go with great-power status." These facilities include not only markets for Soviet industry and sources of raw material, but also the fleets, bases, and other concrete symbols needed to establish influence beyond a nation's borders. Moscow's fleet of some 2,600 merchant vessels is second to none, and the Soviet navy is second in size only to the U.S. Navy.

In the Middle East the Soviets have established a vast complex of sophisticated weaponry scattered in a 50-mile wide belt extending from Alexandria, Egypt, southward 180 miles to the Gulf of Suez. Stationed here are the most advanced surface to air missiles manned by Soviet crews, amphibious equipment and 8-inch artillery capable of destroying the Israeli Bar Lev fortifications. This will make it possible for the Egyptians and Soviets to clear the Israelis from the Suez Canal area and reopen the canal.

These preparations for a canal crossing imply an intention to crush Israel forever. If Israel is crushed, in turn, the horror of the event itself will only be the first event. Every vestige of western presence, influence, and power will then be forcibly removed from the entire Middle East. And Soviet naval power will have a new short route to the Persian Gulf, the Indian and Pacific Oceans, and the Japan Sea.

The initial impact of this Soviet strategy is already apparent in the Arab states and India. In the wake of leftist military coups, Soviet influence has spread south from Egypt to Sudan and Somalia, bracketing Western-oriented Ethiopia in between. Soviet forces are now located on the island of Socotra 600 miles east of Aden. This island is astride

the sealanes to the Arabian and Red Seas, making it an ideal command center for the Soviet's increasing naval activity in the Indian Ocean. To date the Soviets have given India four modern F-class submarines and several surface ships, and they are assisting in the construction of a submarine base for India.

The Soviet naval power's move eastward has been enhanced by Singapore's invitation to use the former British colony's superb port and naval facilities. The natural and rich resources of Malaya and Indonesia are in these waters, and in all probability Soviet naval influence will extend as far north and east as the Japan Sea.

The troublesome presence of the Soviet navy in these Asiatic waters will create a direct confrontation with the U.S. 7th Fleet patrolling the China and Japan Seas in defense of our strategic western sea frontier. When the security of this frontier was last threatened two decades ago, we became involved in a costly war in Korea to restore the tranquillity of the Japan Sea.

This is not all the Soviets have done to stoke our fears. They are building a submarine base in Cuba capable of handling missile-carrying submarines in close proximity to the United States, and they have reportedly conducted another test of a key offensive weapon known in plain language as a space bomb, which can release its deadly cargo on virtually an terrestrial target. The United States has no such weapon or defense against it.

In the midst of this general situation one wonders what useful purpose are the strategic arms limitation talks at present serving. If for no other purpose, the Soviets might be using these talks to determine what the United States will do in any particular crisis situation rather than pushing for an agreement based on mutual concessions. The present crisis situation is the middle East. The Soviets are playing for high stakes.

UNCONDITIONAL RELEASE OF POW'S

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. FINDLEY) is recognized for 20 minutes.

Mr. FINDLEY. Mr. Speaker, during the past 2 days, press services have reported complementary proposals made by the distinguished minority whip of the Senate, Mr. GRIFFIN, and myself under which 1,550 prisoners from North Vietnam now held in South Vietnam would be unconditionally repatriated at the earliest possible date.

My proposal was made in a letter December 11 to President Nixon, the text of which appears below, and Senator GRIFFIN's proposal was announced in the Senate yesterday afternoon, after having been placed before the White House the previous day. The text of Mr. GRIFFIN's statement and favorable comments on it by Defense Secretary Laird were placed in today's RECORD.

Today Senator GRIFFIN and I have signed jointly a letter to President Nixon suggesting a further means of achieving maximum impact on Hanoi by means of the repatriation.

Here is the text of the joint letter:

DECEMBER 16, 1970.

The Honorable RICHARD M. NIXON,
President
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: In further regard to our recent proposal that 1,500 enemy prisoners of war be assembled as soon as possible at a location near the DMZ for unconditional release, we offer these further suggestions.

Simultaneous with such release we suggest Ambassador Bruce place on the negotiating table at Paris the names and photographs of the 1,550 Americans who are presently missing in action or being held prisoner-of-war in Southeast Asia, together with the names and photographs of enemy prisoners being released. The last time U.S. names were officially tabled by the United States at the Peace Talks was on December 30, 1969—one year ago.

It is time for the United States officially to update that list, personalize each name it contains and renew our appeal for humane policies by Hanoi. The presentation of pictures will help show that POWs are not statistics but flesh and blood human beings.

At the same time that Ambassador Bruce's plea is being made at Paris, a similar plea should also be made during the ceremony for repatriation of enemy prisoners at the Demilitarized Zone. Before being released each enemy POW would receive a copy of Ambassador Bruce's appeal in Paris, an appeal which would include the name and picture of each American missing and those of repatriated enemy prisoners.

Thus, each released enemy POW would recognize that his newly-gained freedom symbolized the uncertain fate of one American presently held prisoner or missing in action.

Taken together, the event at Paris and the other at the DMZ would dramatize as no other way possibly could the treatment of POWs by the allies as contrasted with the North Vietnamese and the Viet Cong.

Since the first American pilot was captured in August of 1964, no issue has so stirred American public sentiment as has the undetermined fate of our POWs. As you know so well, unmerciful anguish to families and loved ones which this causes is an outrage to all humanity. Many do not know whether their husband or son is alive, yet each clings to the tiny thread of hope that he will one day be returned safely.

Just how elusive and frustrating this hope can be was recently demonstrated when the North Vietnamese released a film clip containing the pictures of over 60 prisoners-of-war. It has not been possible to positively identify at least 20 of the Americans pictured, yet 800 separate American families have "identified" one of the 20 photographs as being of their loved one. Such inhuman disregard for the sensibilities of these families can only be described as sadism.

Short of outright release, nothing would be more welcome to the families of those men who are listed as missing in action than a confirmation of their status as either prisoner, dead, or unknown. It would end the agonizing uncertainty which now plagues their everyday existence.

The purpose of the combined exercise—the tabling at Paris which would include names and photographs of 1,550 Americans believed held prisoner and the simultaneous unconditional release at the DMZ of a like number of POWs—would be to bring maximum pressure to bear on Hanoi for a humantarian response.

Hopefully there will be an early response. Even if none is immediately forthcoming, this personalization of the POW problem would be such as to hasten the day when total mutual repatriation of prisoners does occur.

Sincerely yours,

PAUL FINDLEY,
Representative in Congress.
ROBERT P. GRIFFIN,
U.S. Senator.

Here is the Text of my letter sent December 11 to President Nixon:

DECEMBER 11, 1970.

The Honorable RICHARD M. NIXON,
President,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: In this letter I propose for your consideration the immediate unconditional repatriation of 1,550 North Vietnamese prisoners-of-war now held in South Vietnam, equaling the number of Americans now listed as missing in action or imprisoned in Southeast Asia.

Before drafting this letter, I presented the proposal in detail in a personal discussion with Defense Secretary Laird. He showed a keen interest in the concept.

I also discussed it with several colleagues in the Congress who have taken leading roles in initiatives relating to the POW problem, and with Mrs. Joan Vinson, president of the National League of Families of Americans Missing in Southeast Asia. Each expressed personal approval, and Mrs. Vinson said she though the idea was "very good."

I suggested that the details of the repatriation plan be announced publicly before Christmas, and carried out as soon as possible after the announcement. This would assure completion of this unique, humanitarian gesture—one without parallel in human history—during the period encompassing the Christian and Buddhist holidays.

The proposal in detail:

Those to be repatriated should be selected at random without regard to age or physical condition. All should be released simultaneously from the same location on the demilitarized zone at the conclusion of a ceremony during which officials of allied governments would issue a supply of rations to each prisoner released and make an appropriate public appeal to Hanoi and National Liberation Front leaders for similar humane treatment of American prisoners. Prisoners would then be permitted to proceed on foot toward North Vietnam. All procedures would be planned and carried out under the supervision of the International Red Cross.

The occasion would unquestionably capture the imagination of the world. The ceremony and release would receive widespread attention through television, radio and press coverage. For the first time, the world would be able to comprehend the numbers of U.S. persons now missing in action in Vietnam as well as the enormity of Hanoi's violation of the Geneva convention on prisoners-of-war.

The only risk involved is the possibility that the repatriated men might soon be back under arms against us. That, of course, is the same risk which you wisely undertook with your offer to release all of the prisoners held by the Allies if the enemy would release those in their custody. Obviously, such risk in my proposal would be much smaller, and also less than the risk surrounding the valiant attempt on November 21 to rescue American prisoners held near Hanoi.

Against this modest risk can be measured these possibilities for gain:

1. The release might cause Hanoi to respond in kind. If Hanoi should release a few, we could wisely release some more.

2. At the very minimum the release would stir world opinion—all to our advantage. The release would show, as could nothing else,

the gulf in human compassion between us and the enemy. It would show the contrast in treatment of POW's.

3. The release would focus world-wide attention directly on Hanoi's illegal and unconscionable treatment of POW's, an issue which evidently causes the enemy its greatest difficulty in international relations.

4. The released men might return home as ambassadors of good will. The reports they would make might do much to correct propaganda-bred misapprehensions. Even if returned to arms, they could hardly be unaffected by the humanitarian treatment they had received.

5. It would do much to inspire the American people at a moment when inspiration is greatly needed. The release undoubtedly would be without precedent, the most compassionate act ever committed by any nation, large or small, in time of war. The impact of this vast drama—1,550 men turned free at the time of Christmas and Tet holidays—would touch every American's deepest emotions, not to mention its impact abroad.

Mr. President, this initiative would complement your decision to send a rescue mission to the North to free American POW's. It, too, would lift the spirits and hopes of men held captive, their families—in fact, all people of compassion. It would reaffirm in an effective, dramatic way, our country's willingness to assume risk in order to promote the safety and freedom of our men in captivity. I do hope you can give it your personal consideration.

Sincerely yours,

PAUL FINDLEY,
Member of Congress.

I am glad to state that Secretary Laird has personally examined my letter of December 11 and authorized me to state publicly that he approves of my proposal as set forth in this letter. He has not as yet been given a copy of the above letter signed jointly by Senator GRIFFIN and myself.

As mentioned in my letter of December 11, I would hope that all procedures of the repatriation would be carried out under the close supervision of the International Red Cross. It goes without saying that we should not require the repatriation of unwilling prisoners. They should not be set free at the DMZ against their will.

Our proposals naturally focus on the plight of Americans missing in action and held prisoner. We hope Hanoi will respond favorably in regard to their plight, but in centering our attention upon them we do not overlook the plight of ARVN personnel held prisoner in North Vietnam. We would hope that the government of South Vietnam will make a similar appeal in their behalf when our representatives table names and pictures at Paris.

TAKE PRIDE IN AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. MILLER) is recognized for 5 minutes.

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. Homeownership is one of outstanding characteristic of American society. In 1969 64.3 percent of the homes in the United States were owner occupied. This compares to 61.9 percent in 1960.

AND A MERRY CHRISTMAS TO YOU, TOO, MR. PRESIDENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. O'HARA) is recognized for 30 minutes.

Mr. O'HARA. Mr. Speaker, the President has tonight cruelly and without justification, smashed the hopes of hundreds of thousands of Americans who are out of work because of his "game plan." The President's grim Christmas present to the Nation's unemployed came when he vetoed a bill which was sent to him just a few days ago and which would have made it possible for some of the victims of the Nixon unemployment game to get jobs.

The veto was a slap in the face of the Congress which enacted this bill but even more it was a slap in the face at the millions of Americans who are without jobs and who are now, because of this veto, deprived of the hope of jobs held out by the Employment and Manpower Act. If the reality of unemployment in a time of rising prices were not so harsh, it would be almost funny to watch the Dickensian scene being played by the President and his Marley and Scrooge, Budget Director Shultz and Labor Secretary Hodgson, who are eagerly seeking to share credit for the veto of the jobs bill. It will be a little difficult this evening for families who are watching that old television classic, "A Christmas Carol," to know when the movie stops and when the news begins.

But the reality of the situation takes all the fun out of the picture, Mr. Speaker. The President's games with our economy have resulted in an unemployment rate of 5.8 percent—the highest in 7½ years. Nearly 5 million Americans are out of a job and the figure is growing.

The Employment and Manpower Act would have redesigned the system by which we deliver training and other manpower services to the people who need them. These provisions, wire service accounts of comments by the President and the Secretary of Labor to the contrary notwithstanding, were very similar to the provisions so strongly supported a few weeks ago by that same administration.

But the bill would have an impact of vastly greater immediate importance, Mr. Speaker, in its provisions for a program of public service employment—a program which was also very like the provisions in the bill the Nixon administration claimed to support just prior to the recent elections.

As the President and the Labor Secretary say, the conference bill does differ from the bill previously approved by the House. The vetoed bill lacked a provision which the Senate conferees insisted would be used by the administration to force public service employees off the public service payrolls in an arbitrary manner and at arbitrary periods of time. In the conference, Mr. Speaker, we were assured by the managers on the minority side, and by administration officials clustered outside the conference door that they would not use those provisions in an arbitrary manner. The House conferees were largely persuaded and sought to preserve the House language. But the language used by the President and the Secretary of Labor at the time of the veto today have convinced me that the Senate conferees were correct in their doubts of the administration's sincerity.

The President's justification criticizes the bill because it purportedly lacks any linkages with training programs or with efforts to put public service employees into what the President and his advisers choose to call real jobs. That charge, Mr. Speaker, is false. The bill has a great many provisions for such linkages and for regular and unremitting efforts to move public service employees into nonsubsidized employment.

I ask unanimous consent that a list of these provisions which I inserted in the RECORD on December 10 be again printed so that again, this charge may be put to rest.

PROVISIONS OF MANPOWER CONFERENCE REPORT ON NATURE AND DURATION OF PUBLIC SERVICE JOBS

SEC. 304(b) An application for financial assistance for a public service employment program under this title shall include provisions setting forth—

* * * * *

(3) assurances that special consideration will be given to the filling of *jobs which provide sufficient prospects for advancement or suitable continued employment* by providing complementary training and manpower services designed to (A) promote the advancement of participants to employment or training opportunities suitable to the individuals involved, *whether in the public or the private sector of the economy,* (B) provide participants with skills for which there is an anticipated high demand, or, (C) provide participants with self-development skills, but nothing contained in this paragraph shall be construed to preclude persons or applications for whom the foregoing goals are not feasible or appropriate;

(4) assurances that due considerations be given to persons who have participated in manpower training programs for whom employment opportunities would not be otherwise *immediately* available;

* * * * *

(11) a description of *career opportunities and job advancement potentialities* for participants;

(12) procedures for an *annual review* by an appropriate agency of the status of *each person employed in a public service job* under this title; and procedures pursuant to which, in the event that any such participant and the reviewing agency find that the participant's current employment situation will not provide sufficient prospects for advancement or suitable continued employment, *maximum efforts shall be made to locate employment or training opportunities providing such prospects,* and the participant shall be offered appropriate assistance in securing placement in the opportunity which he chooses after appropriate counseling;

* * * * *

(14) assurances that the applicant shall, where appropriate, maintain or provide *linkages with upgrading and other programs under this Act,* and other Federal or federally-supported manpower programs for the purpose of:

(A) providing those persons employed under the agreement who want to pursue work with the employer, or in the same or similar work as that performed under the agreement with opportunities to do so and to find *permanent upwardly mobile* careers in that field; and

(B) providing those persons so employed

who do not wish to pursue *permanent careers in such field,* with opportunities to seek, prepare themselves for, and obtain work in other fields;

* * * * *

SEC. 308 (a) The Secretary *shall not provide financial assistance for any program* under this title unless he determines, *in accordance with such regulations as he shall prescribe,* that—

* * * * *

(5) the program will, to the maximum extent feasible, contribute to the occupational development or upward mobility of individual participants.

The employment and manpower bill could have provided job opportunities for hundreds of thousands of Americans. It could have assisted cities and States and other public agencies throughout the Nation in finding personnel to do the jobs of vital importance to the public. It could have brought hope where there is despair and revived forward motion where there is economic stagnation. This was the alternative the President today rejected.

One phrase of the President sticks in my mind, Mr. Speaker. He referred to this bill as creating "WPA-type jobs." Well, there was much wrong with the WPA, but I am just barely old enough to remember that it did give people jobs. I am just old enough, Mr. Speaker, to remember that a WPA-type job was a whale of a lot better for the spirit and for the stomach than a Hoover-type breadline. The President apparently feels just the opposite.

I want to make one more observation, Mr. Speaker, and I want to direct it to those administration officials, appointed and career, who have persistently argued over these months that "there has to be some way to get people off of public service jobs or they will never move to a real job." It seems to me, Mr. Speaker, that that observation comes with singularly bad grace from Labor Secretaries, Presidents, bureaucrats, economists, or Congressmen—all of whom, after all are performing public service jobs, it what can only be called "subsidized employment." If Messrs. Nixon, Schultz, and Hodgson, and their immediate advisers are convinced that such jobs are bad for the character, why do they not resign in the morning, and see how morally improving it is for them to try and find new jobs in the employment market we enjoy at this stage of the Nixon game plan?

HUMPHREY, REUSS TO INTRODUCE "CONSTRUCTIVE ALTERNATIVE" REVENUE-SHARING BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. REUSS) is recognized for 60 minutes.

Mr. REUSS. Mr. Speaker, in conjunction with Senator-elect HUBERT H. HUMPHREY, I will introduce, at the opening of the 92d Congress next month, a revenue-sharing bill as a "constructive alternative" to the administration's proposal.

Both Senator-elect HUMPHREY and I recently spoke at the national conference of State legislative leaders. While we both accept the idea of revenue sharing, our proposal differs from the administration package in several important particulars.

The Humphrey-Reuss proposal requires States to qualify for revenue sharing by preparing a master plan and timetable for modernizing State-local government. The administration proposal gives revenue-sharing funds to the States without any incentive to get on with the job of modernizing local government in this country.

Our proposal would provide revenue sharing of $3 billion for fiscal 1972, $5 billion for fiscal 1973, $7 billion for fiscal 1974, and $9 billion for fiscal 1975. The Nixon proposal envisages $500 million for revenue sharing the first year, rising to a total of $5 billion in fiscal 1976.

The Humphrey-Reuss proposal contains a 40 percent local government pass-through requirement, and leaves to the States the determination of individual formulas for distribution to local government. The administration bill mandates a pass-through of 30 percent of the revenue-sharing funds to all units of local government, numbering some 63,000. Leaving the 40-percent share allocated to localities to State decision as to distribution avoids the flaw in the administration's proposal—which would mandate the continuation of uneconomic and inefficient villages, counties, townships and cities; worse, it would distribute the pass-through according to the existing revenue patterns of the localities, further disadvantaging those already in relative fiscal trouble.

Our proposal gives double weighting to the income tax efforts of the States after July 1, 1974. The administration proposal contains no incentive to adopt a State income tax, and thus would continue the situation wherein the 12 States now lacking an income tax compete unfairly for industry with States having such a tax.

The draft bill, a description, and the Humphrey and Reuss San Juan speeches follow:

H.R.—

A bill to improve inter-governmental relationships, and the economy and efficiency of all levels of government, by providing Federal block grants for States and localities where there is a demonstration of State intention to modernize State and local government

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

SHORT TITLE

SECTION 1. This Act may be cited as the "State and Local Government Modernization Act of 1971".

FEDERAL BLOCK GRANTS

SEC. 2 (a) AUTHORIZATION OF APPROPRIATIONS.—there is herewith authorized to be appropriated for the fiscal year beginning July 1, 1971, $3 billion; for the fiscal year beginning July 1, 1972, $5 billion; for the fiscal year beginning July 1, 1973, $7 billion; for the fiscal year beginning July 1, 1974, $9 billion; to be paid by the President to all States (and localities within such states) which qualify for Federal block grants.

(b) PAYMENTS TO STATES.—The President shall quarterly make a payment to each State (60 percent directly), 40 percent to local governments in that State pursuant to Section 2 (c) which is qualified under Section 2 (d) for a Federal block grant, in an amount which bears the same ratio to the amount appropriated for that year under section 2 (a) as the product of—

(1) the population of the State, and

(2) the State's "revenue-effort ratio" (as determined below),

bears to the sum of the corresponding products for all the States which are qualified for a revenue-sharing payment in that year. The "revenue-effort ratio" for a State shall be the ratio between the sum of all revenues collected in the State by the State and its political subdivisions, and the total personal income for the State. After July 1, 1974, double weight shall be given to income tax revenue. Population, revenue, and income data shall be based on the most recent data available from the Department of Commerce. The term "State" shall include the District of Columbia, which shall receive both the 60 percent and the 40 percent share.

(c) PAYMENTS TO LOCAL GOVERNMENTS.—The President shall make the 40 percent payment to such units of general purpose local government, and according to such a distribution formula, as the state shall by law provide. Such inclusion or exclusion of localities, and such distribution formula, shall be fair and equitable, departing from a per capita or a revenue basis only for the purpose of favoring localities that are relatively more populous or that contain relatively more low-income families. The governor shall keep the President currently informed of the amounts payable to local governments under such state law.

(d) QUALIFICATIONS FOR BLOCK GRANTS.—In order to qualify for block grants in the first, and subsequent, fiscal years, a state shall enact and file with the President (and may from time to time amend) the local government distribution law specified in Section 2 (c). In order to qualify in the second, and subsequent, fiscal years, a state shall enact and file with the President (and may from time to time amend) a master plan and timetable for modernizing and revitalizing State and local governments, by methods (where appropriate) such as those on the following illustrative check-list—

(1) INTERSTATE: proposed arrangements, by interstate compact or otherwise, for dealing with interstate regional problems, including those of metropolitan areas which overlap State lines, and for regional cooperation in such areas as health, education, welfare, conservation, resource development, transportation, recreation.

(2) STATE DIRECT ACTION: proposed strengthening and modernizing of State governments (by constitutional, statutory, and administrative changes), including recommendations concerning the short ballot; longer terms for Constitutional officers; annual legislative sessions; adequately paid officers and legislators; modernized State borrowing powers; improved tax systems (including an income tax of at least moderate progressiveness); rationalized boards and commissions; increased assistance to local governments; revising the terms of State aids and shared taxes so as to encourage modern local governments and to compensate for differences in local fiscal capacity; State assumption of direct fiscal responsibility for basic functions; and modern personnel systems.

(3) STATE ACTION AFFECTING LOCALITIES: proposed strengthening and modernizing by the State of local, rural, urban, and metropolitan governments (by constitutional, statutory, and administrative changes), including

(A) Changes designed to make local government more efficient and economical, as by—

(1) reducing the number of, or eliminating local governments too small to provide efficient administration, and special districts not subject to democratic controls;

(ii) restricting local popular elections to policy-makers (the short ballot);
(iii) concentrating on a single responsible executive for each local unit;
(iv) reform of personnel practices so as to base them uniformly on merit and competence;
(v) granting adequate home rule powers to counties and other local governments;
(vi) improving local property tax administration;
(vii) authorizing local governments to utilize nonproperty taxes, coordinated at the State or regional level;
(viii) easing restrictions on the borrowing power of local governments;
(ix) encouraging the formation of multicounty and regional bodies.

(B) Changes designed to strengthen local government in metropolitan areas as by—
(i) liberalizing municipal annexation of unincorporated areas;
(ii) discouraging . . . incorporations not meeting minimum standards of total population and population density;
(iii) authorizing city-county consolidation, or transfers of specified functions between municipalities and counties;
(iv) authorizing intergovernmental contracts for the provision of services;
(v) authorizing the municipalities to exercise extraterritorial planning, zoning, and subdivision control over unincorporated areas not subject to effective county regulation;
(vi) restricting zoning authority in metropolitan areas to larger municipalities, to counties, or to the State, in order to prevent zoning by smaller municipalities which excludes housing for lower income families;
(vii) authorizing the formation of metropolitan councils of government and other regional governing bodies;
(viii) authorizing the establishment by the State, by local governmental bodies, or by the voters of the area directly, of metropolitan area study commissions to develop proposals to improve and coordinate local governmental structure and services, to permit side-by-side area-wide and local governments, or to permit consolidation of municipalities; and to present to the voters of the area such proposals;
(ix) authorizing the formation of metropolitan planning agencies to make recommendations to local governments concerning such matters as land use, zoning, building regulations, and capital improvements; and
(x) furnishing State financial and technical assistance to metropolitan areas for such matters as planning, building codes, urban renewal, consolidation, and local government and finance.

(C.) Changes designed to make local government more responsive and democratic by decentralizing back to the neighborhood wherever possible.

SEC. 3. REPORTS AND RECOMMENDATIONS.—The President shall report to the Congress at the end of each fiscal year in which Federal block grants are paid on the progress made by each participating State in carrying out its modern governments program, and, prior to the end of the fourth fiscal year, shall make recommendations to the Congress concerning the future of the Federal block grant program.

DESCRIPTION OF STATE AND LOCAL GOVERNMENT MODERNIZATION ACT OF 1971

1. Purpose: The Act proposes a marriage of revenue-sharing and state-local government modernization. In "Financing State and Local Governments", Federal Reserve Bank of Boston, 1970, Joseph A. Pechman of Brookings Institution, co-originator of the Heller-Pechman Plan for revenue-sharing says:

"Some new dramatic device needs to be used to shake state-local officials out of their lethargy. Mr. Reuss would require only that state governments prepare a master plan and timetable for modernizing and revitalizing their governmental structures to be eligible for the revenue-sharing grant. The details should be left to the states themselves. Provided that this modification would not involve constraints on the spending of the revenue-sharing funds, it seems to me that the Reuss modification would have the desirable effect of focusing attention on an important national problem. Federal assistance for a country-wide effort to improve the governmental structure of our states and local governments might provide substantial benefits. The experiment is worth a try, since reform is so urgently needed in this area."

2. Funding: The Act would provide revenue-sharing block grants for the states and localities of $3 billion for fiscal 1972, $5 billion for fiscal 1973, $7 billion for fiscal 1974, and $9 billion for fiscal 1975. The sums would be authorized and appropriated by the usual Congressional processes. By going the Congressional appropriation route rather than the income-tax-base trust-fund route, and by providing for a state demonstration of intention to modernize state and local government, the bill would be assigned to the House Committee on Government Operations, thus avoiding the House Committee on Ways and Means, the Chairman and ranking minority member of which are in opposition to revenue-sharing.

3. Qualification for Revenue-Sharing by States: Each state, in order to qualify for the first year's revenue-sharing for itself and its localities, in fiscal 1972, must enact a law setting forth its pattern for local distribution within the state, as set forth in paragraph 5. In order to qualify for the second year's revenue-sharing, which starts on July 1, 1972, the state must enact and file with the President a master plan and timetable setting forth what it proposes to do in the years ahead to invigorate and modernize its own and its local governments. The Act contains a "laundry list" of illustrative reforms. Just as in the Marshall Plan distribution of 1948–1952, the beneficiaries would not be subject to any strings on how they spent their funds, or even on progress made in fulfilling their own master plan. The check-list of reforms which would be before the states when considering their master plans include:

a. *interstate,* including regional agreements by states, and interstate compact, for dealing with interstate regional problems; for cooperative efforts in health, education, welfare, transportation, and conservation; and for the government of those metropolitan areas which overlap state lines.

b. *state direct action,* including the short ballot, longer terms for constitutional officers, annual legislative sessions, adequately paid officers and legislators, modernized state borrowing powers, improved tax systems (including an income tax of at least moderate progressiveness), rationalized boards and commissions, increased assistance to local governments, revising the terms of state aids and shared taxes so as to encourage modern local governments and to compensate for differences in local fiscal capacity, state assumption of direct fiscal responsibility for basic functions, and modern personnel systems.

c. *state action affecting localities,* including changes designed to make local government more efficient and economical; changes designed to strengthen local government in metropolitan areas; and changes designed to make local government more responsive and democratic by decentralizing back to the neighborhood wherever possible.

4. Allocation to states: Revenue sharing funds are allocated to each state (for it and its localities) according to the population of each state, with an adjustment for relative revenue effort. After July 1, 1974, State income tax revenues are to be given double weighting, following the recommendation of the National Advisory Commission on Urban Problems of December, 1968, in order to encourage states to avail themselves of the progressive income tax. The formula is the same as that in the Administration bill, except for the future double weighting for state income tax revenues. Based on 1966 data, the Act's formula would result in the following percentage allocations for the 50 states and the District of Columbia:

[In percent]

State	Without double-weighting for income-tax revenues	With double-weighting for income-tax revenues
Alabama	1.619	1.636
Alaska	.117	.139
Arizona	.989	.970
Arkansas	.961	.966
California	11.272	11.129
Colorado	1.177	1.219
Connecticut	1.304	1.208
Delaware	.238	.293
District of Columbia	.327	.363
Florida	3.008	2.783
Georgia	2.070	2.127
Hawaii	.451	.519
Idaho	.402	.432
Illinois	4.714	4.365
Indiana	2.392	2.466
Iowa	1.563	1.457
Kansas	1.256	1.284
Kentucky	1.449	1.515
Louisiana	2.087	2.010
Maine	.521	.482
Maryland	1.700	1.850
Massachusetts	2.865	3.047
Michigan	4.218	3.907
Minnesota	2.145	2.401
Mississippi	1.297	1.230
Missouri	2.205	2.038
Montana	.400	.415
Nebraska	.650	.602
Nevada	.225	.208
New Hampshire	.309	.291
New Jersey	2.998	2.792
New Mexico	.578	.559
New York	11.036	12.164
North Carolina	2.459	2.693
North Dakota	.451	.346
Ohio	4.302	3.986
Oklahoma	1.239	1.210
Oregon	1.036	1.047
Pennsylvania	5.290	4.905
Rhode Island	.447	.414
South Carolina	1.236	1.297
South Dakota	.404	.374
Tennessee	1.799	1.686
Texas	4.923	4.560
Utah	.587	.620
Vermont	.254	.285
Virginia	1.910	2.127
Washington	1.687	1.563
West Virginia	.886	.880
Wisconsin	2.530	2.950
Wyoming	.191	.177

5. Allocation to localities: The Act provides that 60 percent of the block grants be paid to the states, and 40 percent "to such units of general purpose local government, and according to such a distribution formula, as the state shall by law provide." This provision recognizes that the individual states are the best determiners of how the localities shall share. The percentage to be paid to local governments is 40 percent, compared to the 30 percent to be paid to local governments under the Administration bill, and the 35 percent to be paid to local governments (those with a population of 50,000 or greater) under the recommendation of the Advisory Commission on Inter-Governmental Relations and the National Advisory Commission on Urban Problems. 40 percent seems a proper minimum pass-through to local governments.

The Administration's pass-through requirement is to all units of general local government, some 63,000 in all. This would

mandate the continuation of uneconomic and inefficient villages, counties, townships and cities; worse, it would distribute the pass-through according to the existing revenue patterns of the localities, thus disadvantaging those that are already in relative fiscal trouble. At the other extreme, mandating a pass-through which considers only cities and counties of over 50,000 population may be discriminatory against smaller governments, particularly rural, which may be efficient but poor. The Act leaves it to the state to provide any sort of fair distribution pattern it chooses, but if the state departs from a pattern of mechanical equality according to population or revenues, it must depart in a direction that favors the relatively more populous localities (in order to provide an incentive for fiscal consolidation, and to favor the larger and more hard-pressed localities), or that favors communities that contain relatively more low-income families (in order to take care of the poor communities, large or small).

6. Accountability: Administration of the program would be lodged in the executive office of the President. As stated, the only string on the block grants would be good-faith initiative by the states in preparing and filing their modern governments programs. Action by local governments to avail themselves of the liberating effect of state encouragement would also be stringless. Title VI of the Civil Rights Act of 1964 would be applicable. Congress, in considering whether to renew the program after the initial four-year period, would doubtless take into account the progress of the efforts made by states and localities to implement modern governments programs.

REMARKS OF HUBERT H. HUMPHREY, NATIONAL CONFERENCE OF STATE LEGISLATIVE LEADERS, SAN JUAN, P.R., DECEMBER 1, 1970

It is time for frank talk! There is a crisis of government in America. The American federal system—indeed our entire democratic structure—is facing its moment of truth.

To put it directly: Can our governmental and political institutions cope with the new demands, as well as the age-old problems of a highly mobile, urbanized, industrialized and heterogeneous society?

The hard facts of life are known to each of you!

Our cities are victimized by noise and air pollution, traffic congestion, slums, racial strife, violence and crime.

The demands for social services, law enforcement, welfare, health care and education are constantly increasing. Costs are skyrocketing! The demand for law and order comes at the same time that cities are forced to lay off police and firemen because of lack of funds. Welfare rolls grow at the very time that local government revenues are dropping. To put it on the line, our system of government is in a state of paralysis.

Our cities and states are in a desperate financial crisis.

Revenues are always falling behind expenditures—the tax base has been stretched to the breaking point.

Our slumping economy has now brought many states and municipalities to the brink of financial chaos.

The flight from the cities to the suburbs has only served to produce new problems—for those who escape as well as those who are left behind.

And our rural areas continue to deteriorate—this is an outrageous waste of human and national resources.

Government at all levels seems to be muscle bound, unresponsive, and ineffective. It is big and costly—yet seemingly unable to assure the citizens of the most elemental of government services—the security and protection of life and property. Is it any wonder that the citizen taxpayer is confused and angry? He asks: Who or what is the responsible authority?

Who does a citizen call when something goes wrong? The Mayor, the Governor, the Legislator, the County Supervisor, his Congressman or Senator? He often doesn't know—and, if he does know, the governmental authorities often fail to respond.

Mr. Average Citizen doesn't have a Ph. D. in Political Science. He isn't acquainted with all the political theories about the federal system.

All he knows is that his taxes are high, and not much happens when he has a complaint. To him, government is politics and politics is government. And all the explanations of our national, state, and local agencies add up to but one thing—more politics and more politicians.

And so, fellow politicians, I put the question to you: What are we going to do about it?

Our crisis of government is greatly worsened by over-commitment and under performance.

Let's take a look at the commitments that we have made.

We talk about the blessings of health; we promise decent homes; we commit ourselves to a clean environment; and full employment, and the best in education.

Congress again and again, writes into law the goals of a humane and just society—in the Employment Act of 1946, the Housing Act of 1949 *and* 1968, the Education Act of 1965, the Economic Opportunity Act of 1964, the Civil Rights Act of 1964 and the National Environmental Policy Act of 1970—just to mention some of the commitments.

Presidents commit their administrations to achievement of these goals—and then ask Congress for funds barely sufficient to hold the line against these problems, much less take the offensive.

Congress, for its part, continues to address the issue of national priorities by fits and starts.

At no point in the legislative process is Congress able to make basic and comprehensive judgments about the allocation of our national resources. And, at no time is any state legislature able to make basic and long-term judgments about the use of state and local resources.

The end product of this system is our failure to deliver on the national commitments so solemnly made and so quickly forgotten.

And so, fellow politicians, I repeat: What are we going to do about it? Surely we can't admit either incompetence or failure. We have the means and the resources. The question is do we have the will—the purpose—and the courage to stake out the priorities.

At the outset I must stress the absolute imperative of restoring our economy to its full productivity.

Today we are sacrificing approximately $50 billion in gross national product—and this tragic loss undercuts everything else that we, as a nation, may attempt to do.

There is a growing consensus among economists of all persuasions—among businessmen and labor leaders—that present economic policies are not working. For the sake of us all, I earnestly appeal to President Nixon to change these policies—to apply the full powers of his office in using wage-price guidelines; to relax the tight money-high-interest rates that have affected so severely the lot of farmers, small businessmen and prospective home buyers; to pursue a policy of vigorous economic expansion; and to wind down our involvement in Vietnam at the earliest possible moment.

A healthy and vigorous economy is the essential first step in surmounting the governmental crisis I have described. This, in part, is the answer to the shortage of revenues which now plagues all levels of government.

Next, we must accelerate our efforts to redesign and reconstruct the federal system.

Unless we achieve a governmental structure that accurately reflects the nature of governmental responsibility today, our best efforts will ultimately fall short.

We have heard much of the need for "creative federalism" or a "new federalism"—a common recognition by Democratic and Republican administrations alike that our existing federal structure must be changed and adapted to current needs and future problems.

Some progress has been made. The federal government has begun to make more rational the administration of its major programs. Greater cooperation in the field is now possible among federal agencies.

State and local officials are being drawn more directly into the implementation of federally-funded programs. But the new federalism must embrace the establishment of national goals within the framework of a working partnership of Federal, State and local governments, including the active participation of the voluntary and private sectors. The new federalism cannot be merely a delineation of powers between levels of government; it must be a plan of action involving the cooperation and commitment of all areas of government.

Yes, we all know that far more innovative steps are necessary. And these steps can be most effective if we design action programs which require new governmental relationships as part of the process of implementation.

For example, I have long advocated the creation of a Domestic Development Bank that would provide an alternative source of low-interest long-term credit for states and municipalities.

The Domestic Development Bank would offer guaranteed bonds on the national investment market, and then lending funds to local governments at subsidized rates of interest—below the rates of the municipal or state bonds.

Local governments would not have to pay more to borrow from the Bank—indeed with the federal guarantee they should pay less.

The increase in long-term funds available to local governments is primary.

But an important corollary of the proposal is the expert staff to provide for planning, as well as information interchange and coordination among the various levels of our federal system.

This process of building a new federal system would be assisted by the appointment of a special Presidential representative—similar to an ambassador—who could speak for and represent the President in every federal region in order to coordinate and expedite our federal programs. He must be empowered to cut through the red tape, to act and not be hemmed in by petty jurisdictional disputes between agencies.

I have recommended the creation of a Federal Legislative Council composed of representatives of the Congress and the State Legislatures—to make possible regular consultations between national and state legislative leaders. These regular meetings would make it easier to adopt existing laws to state needs, as well as to design new proposals for future needs.

There should also be regular periodic meetings of the President and the governors directed toward the improvement of national and state relationships—where there can be open and frank discussion—where the problems of policy and administration can be ventilated and examined. These semi-social events of Presidential luncheons or dinners for the governors and their wives are no substitute for genuine, well-planned, organized and down-to-work sessions that modern day governmental coordination demands.

In similar fashion, local governmental authorities should meet regularly with the Vice President, the Speaker of the House and the

Majority and Minority leaders of the House and the Senate.

Furthermore, at the executive level of government, in the Office of the President, we need a permanent National Commission for Planning and Development—one embracing all levels of government and including private enterprise.

The federal budget planning process must be opened. We need hearings across the country so that governors, legislators and mayors are brought directly into budget planning before the federal budget is locked up and presented to Congress.

And Congress must better equip itself to work toward the national goals that it has written into law.

Congress needs a "Joint Committee on National Goals and Priorities" in order to see the broader picture of what must be done.

This joint Congressional committee would evaluate the President's budget in light of national social and economic goals—stressing those areas where our performance is not keeping pace with previously established goals.

Congress, for example, continues to create additional planning grants in different agencies and departments. These grants are diverse and sometimes incompatible.

Funding for coordinated planning is completely inadequate. In 1969, $252 million dollars was made available for the 36 standard physical planning programs of the federal government. Coordination of local agency planning under the Model Cities Act was not funded at all. This joint committee on national goals and priorities could begin to bring some sense to the present uncoordinated planning process.

The Joint Committee would receive testimony from federal agencies, but it would also tap the private community. Special advisory bodies, business and labor leaders, educators and students would be invited to the committee witness table.

To do the job correctly, the joint committee would need an expert technical staff, access to computers, and the planning, programming and budgeting mode of problem analysis.

Finally, states and localities must work far more diligently at putting their own houses in order. This involves a searching re-examination of taxing policies, land use and ownership policies, and the organization of agencies and departments. It also includes Constitutional reform and modernization along with much more extensive state aid to localities and particularly metropolitan areas.

We must encourage the creation and strengthening of metropolitan-wide authorities—such as Councils of Civil Peace to coordinate all law enforcement activities.

We must encourage the further development of councils of governments. These councils are a way to preserve local autonomy where that is appropriate, and to maximize the use of common facilities and services.

Each state government should create a new department for community development—the functional equivalent at the state level of the federal government's Department of Housing and Urban Development.

Our colleges and universities should be encouraged to undertake broad research programs on the social and economic needs of our urban communities, the proper use of land, as well as zoning, building codes and social services. Surely, state supported institutes, colleges and universities have a responsibility not only to students and faculty, but to the needs of the community.

As our space and defense programs are reduced, we should mobilize the intellectual, technical and scientific resources that are released and put them to work on the problems of pollution, mass transit, housing, urban planning, health care and education. We can ill afford the unemployment or underemployment of our technical, scientific and professional manpower. What a tragic waste!

Public policy in this country must include an opportunity for the good life in rural America—in the smaller cities.

This necessitates more than just thinking about hospitals and highways and business institutions and schools.

It means an economic program for America in which the producers of our food and fiber share equitably in the progress and prosperity of the nation.

I continue to support—and I intend to work actively for—an equitable system of federal revenue sharing with the states and localities. I am acutely aware of the financial crisis which today confronts every state and every municipality in America. We can wait no longer in beginning to relieve this crisis through a system of revenue sharing. The time to act is now—even if it is only a start. Whatever adjustments are needed in the federal budget must be faced now—and action taken. And, let's face it, where federal standards are imposed such as proposed in the Family Assistance Welfare program, then the federal government must be prepared to pay the bill. This alone would be a great help to state and local government. Then too, Federal assistance to education must be doubled within the next two years. The property tax base in most states simply can't meet the rising costs of welfare and education. Either there must be new sources of revenue or a drastic cutback in state and local services.

Federal assistance to local and state law enforcement and protective services—police, fire and criminal rehabilitation—must be increased threefold. These are immediate basic minimums! To do less is to court a collapse of government services and authority.

Our problems today are only a sketchy outline of what lies ahead unless we have the vision and the will to plan ahead, to work ahead, and then—to the best of our ability—make the commitments and mobilize the resources that are need to fulfill the commitments.

In the year 2000, we will be a nation of 275 million people—and over 80% of our people will live in cities. To meet these demands we will need an additional 12 million acres of urban land for housing, parks, hospitals, schools, factories, roads, airports, courthouses, churches and industry.

So, to meet the needs of the year 2000—less than 30 years from now—we must set our sights on the targets of tomorrow:

To develop the necessary power resources;

To establish where the new population centers will be;

To determine where we will build new roads, and airports, bus and rail terminals;

To find out how our ailing health care system should be repaired and augmented;

To encourage, through better knowledge and voluntary action, a rate of population growth compatible with our resources;

To protect our resources of land, water and air, thereby assuring a livable and healthy environment;

To redesign, redevelop and rehabilitate our cities so that we can provide safe neighborhoods, decent housing, adequate open spaces and recreational facilities; and

To expand, improve and humanize our educational systems.

None of these problems is subject to solution by government alone—surely not by the federal government alone.

All of them require the active cooperation of federal and state governments—all of them will bear heavily on both public and private resources. But none of them will go away if ignored.

To begin with, we must plan. Yes, we can plan a better America.

We can build a better America.

I know the faith is there. I know the strength is there. If we work together, if we trust each other, we can meet the challenge of tomorrow.

What Revenue? What Sharing?

(Remarks of Representative Henry S. Reuss, of Wisconsin, before the National Conference of State Legislative Leaders, San Juan, P.R., December 1, 1970)

Revenue Sharing, I remain convinced, is an idea whose time is coming. But there are a couple of basic questions that we do well to ask ourselves today:

What revenue? What sharing?

What *revenue?* The revenues were supposed to come from the peace-and-growth dividend. The funds, under the Nixon proposal, were to start flowing to the states and localities on January 1, 1971.

But there is no peace, and there is no growth. Instead, there are more raids in Northern Vietnam, a widened war in Cambodia, and the end of the war not in sight. Instead, there is 5.6 percent unemployment, 7.2 percent cost-of-living inflation, zero growth, and whopping federal budget deficits for this year and next, immensely larger than the deficits that used to make former Treasury Secretary Humphrey's hair curl.

So the first priority for revenue-sharing is to get some revenue to share. This means we must adopt more sensible military and economic policies. It means we must extricate ourselves from Southeast Asia. It means we must halt inflation by wage-price guideposts, and perhaps a quick-freeze across the board, and by supply measures, and credit measures. It means we must get the economy moving forward again by reordering our economic priorities. Then, and only then, will there be revenues to share.

But it is not a day too early to talk about the other element of our phrase—what *sharing?*

It is good that the Nixon Administration is committed to revenue-sharing, with an admirable allocation to state and local governments based on a combination of population and relative tax effort.

But the Administration proposal is, I believe, deficient in two important particulars—its pass-through requirements to states and local governments, and the absence of any requirement that the states demonstrate their ability and intention to do something about needed fiscal and organizational reforms of state-local government.

Let us look at the first criticism. The Administration's pass-through requirement is to *all* units of general local government—all 63,000 of them. Under this formula, the most Lilliputian suburb, the most archaic village, the most depopulated county is given a positive incentive to continue its untrammeled existence, without inquiry into whether its usefulness has ceased.

Worse, under the Administration proposal, each unit of local government would receive the funds "based on its share of total local government revenues raised in the state". The trouble here is that the disparity between local government revenues within a state is already a scandal. Community A, with the same population as Community B, may presently receive a much larger share of total local government revenues raised in the state because it contains a covey of wealthy income-tax payers, or a huge property-tax paying public utility installation, or a sales-tax generating shopping center. Worse, Community A may have zoned out poor people, particularly those with children, by zoning or building limitations. Thus the existing unfair discrimination in favor of Community A would be worsened. Once again, the gospel according to St. Matthew would be fulfilled. For unto everyone that hath shall be given; but from him that hath not, shall be taken away even that which he hath."

The problem of how to extend revenue-sharing to the localities seems much better answered by some such recommendation as that made two years ago by the Douglas Commission on Urban problems. Under that formula, the local pass-through would be concentrated on larger cities or counties, those with populations of at least 50,000. Thus only 717 of the nation's 63,000 units of general local government would be aided, some 310 cities and some 407 counties with a total population of 121.7 million on a nationwide basis. The Douglas formula would allocate 65 percent of the revenue-sharing payments to state governments, 22 percent to cities, and 13 percent to urban counties. Of course, a large portion of the states' share could be expected to be re-channeled to local areas of all sizes, thereby increasing the ultimate local share of the total. Such a pass-through formula would give an incentive toward fiscal federation rather than a reverse incentive toward further Balkanization.

A second criticism of the Administration's revenue-sharing proposal is that it would act as a crutch to perpetuate ineffective state and local government, rather than as a catalyst to impel the states to respond to the urban crisis.

Crimes, slums, disease, poor transport, air and water pollution, ineffective schools, welfare hated by both the giver and the receiver—all these are eloquent testimony to the reality of the urban crisis. Everywhere, and particularly in metropolitan areas, local government remains fragmented, ineffective, not very democratic, and nearly bankrupt. There are just too many governments and officials. Revenues are hopelessly inadequate and hopelessly uneven between richer and poorer areas. Far too few functions of government are decentralized to where the people are.

It is up to the states of the United States to exercise their basic constitutional responsibility to conduct domestic government. The states have the responsibility for the form, structure and power of local government. The states create the administrative machinery for delivering the vital domestic services of education, welfare, health, transportation, open space, environmental control, law enforcement, administration of justice, housing, land use, employment and business, taxation.

Let revenue-sharing, therefore, not be a placebo to encourage states to do nothing about a viable federal system. Let revenue-sharing, instead, be used as an incentive to the states, each in its own way, to get on with a program for modernizing state and local government.

My own version of revenue sharing, contained in H.R. 11764 in this Congress (an updated version will be introduced in the 92nd Congress next January) would require that a state prepare a modern governments program in order to become eligible for federal revenue sharing. No set list of requirements is postulated for these programs, if only because no two states are alike in the need for and direction of reform. But a suggested check list conveys an ideas of what kinds of reform should be considered for these state modern government programs:

For its own government, the state would have to ask: How is it equipped to deal with interstate regional problems, and for cooperative efforts with its neighboring states? How does it fare in terms of the short ballot, longer terms for constitutional officers, annual sessions of the legislature, adequately paid officers and legislators, the merit system, modernized borrowing powers, rationalized boards and commissions, improved tax systems (including a progressive income tax), assistance to local governments, state assumption of direct fiscal responsibility for basic functions?

And, most important, what is it doing about local government? How can state laws cut down on the number of unnecessary counties, towns and other local governments? How can they promote metropolitan government, home rule, the local short ballot, modern borrowing power, the merit system? How can they decentralize many of the functions of local government back to the neighborhood?

In fiscal terms, has the state revised its grants-in-aid system and its sharing of tax revenues, so as to eliminate the preferences so widely given now to wealthier communities at the expense of poorer communities? Do state laws permit the recapture of zoning power from excessively small communities? Is the state assuming its own responsibilities for massive help to metropolitan areas in such matters as housing and urban renewal?

I conclude: Let us get the *revenue* for revenue-sharing by making the peace-and-growth dividend come true. Let us condition the *sharing* of revenue-sharing on a real commitment by the states to get on with the job of making federalism work. If we do, the decade of the 1970's can be the decade in which the states enjoy their own once again.

FOOD STAMP PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 10 minutes.

Mr. GONZALEZ. Mr. Speaker, I have never ceased to speculate and wonder at the ways of the world. Many years ago when I was a child I watched the anguish and travail of a second cousin of my mother's who had come from Mexico during the revolutionary period and whose husband died shortly thereafter, leaving her to care for several sons. One of them became an alcoholic and would take everything his mother had in the house during her absences to go pawn these meager possessions in order to buy beer or alcohol. I would visit this family and witnessed the heartache of a mother. It soon developed that outside of the bed and a table and a few other items, there was no furniture to speak of in that house.

Therefore, what a surprise when later I would walk by a beer establishment on old North Flores Street and see this distant relative being plied drinks free gratis by habitues of the establishment. However, on one occasion, I was on the sidewalk when this same distant relative approached his companion for a loan of a quarter with which to buy some food and was refused. The man refusing him the quarter for food offered to buy him a drink. I pondered over this and later in the day expressed my puzzlement to an uncle who had also recently arrived from the last turmoil in old Mexico. He was a philosophic gentleman who proclaimed all during the week he was a "libre pensador"—free thinker—but attended mass regularly on Sunday at the cathedral. When asked about this apparent contradiction he would shrug his shoulders and say: "That's in case I'm wrong during the week."

Well, this uncle thought a while after I had related the episode outside the tavern, puckered up his lips as he was wont to when about to utter a solemn pronouncement and said: "Para el mal diez ayudan, para el bien nadie"—For wrongdoing 10 will help, for good none.

I could not help but think of this irony of life when I listened attentively to the debate on the food stamp bill. It seemed that the committee and most members agonized over the possibility someone might get food they were not entitled to, yet many of the same members rushed through and voted for many dollars for the rich and the powerful.

When I was in the State senate I saw essentially the same thing. If I had a bill for the blind, or the destitute or the halt and the lame, I could never get hearings; it would take years for some action. But the railroads, the oil and gas companies, the powerful corporations—well, they whooshed the bills through.

But here in Congress, certainly I thought we would get a chance to offer some amendments that some of us feel are needed in order to make possible a realistic and just system of food stamp distribution.

As a strong advocate of this program since its inception I have seen with dismay the case of my own district where a great scandal has been gathering in the administration of this program, thereby jeopardizing the legitimate and bona fide needy. All because we have been pennywise and pound foolish. We on the congressional level say with magnificent bravado: "Here you cities and counties look at what we are giving you." Then proceed to provide nothing for administrative costs to the localities and States that are unable or unwilling to supply the moneys for the cost of administration.

I intend, however, not to quit in my endeavor to bring to the Congress the necessity of providing bedrock help for sound and efficient management and administration of this program.

JEWS IN THE SOVIET UNION: A STORY OF PERSECUTION

(Mr. PODELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PODELL. Mr. Speaker, the persecution of Jews in the Soviet Union continues. The latest demonstration of anti-semitism is one of the ugliest; it began yesterday with the public trial in Leningrad of 33 Soviet Jews accused of attempted hijacking and anti-Soviet activities.

It is not surprising that the charges remain clouded in a veil of national propaganda. Yet one thing is clear: The Soviet Union is intent upon the repression of the national identity of its more than 3 million Jews.

By not permitting Jews to emigrate, and by forcing them to remain in Russia, the Soviet Government has sealed the fate of many of these individuals. They are forcing Jews to stay so that they can then go about the process of robbing them of their liberty or perhaps even their life. The trial in Leningrad today is an all too clear example of what I am saying.

I believe that the nations of the world must express their strong opposition to

Soviet policy. We are quick to react to natural disasters that wipe out populations. We are slow to react to policies of government designed to do the same thing.

The defendants at Leningrad have been imprisoned for months while the trial has been continually postponed. They have no hope of appeal; their lives remain in serious danger, and it is still unclear how many trials will be held. Their testimony may be used to incriminate and penalize other Jewish citizens of the Soviet Union.

Last month, another citizen, Leonid Rigerman, seeking to be recognized as an American citizen, was turned away by Soviet guards and arrested. And the list of examples could continue.

These incidents point to one inescapable conclusion—the condition of the Jew has grown worse. From the closing of synagogues and religious schools, and the denial to Jews of educational and cultural facilities, Bibles, and basic religious articles, Soviet policy against the Jews now includes public trials.

The condition of the Soviet Jew will grow no better until there is a reaction of world conscience. I believe that the United States must take a strong initiative and call upon all free people to condemn these acts that go against the most basic principles of freedom and human decency.

SOCIAL DEVELOPMENT

(Mr. FASCELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FASCELL. Mr. Speaker, few Americans have had as much experience with development in Latin America as the Honorable Covey T. Oliver, former U.S. Ambassador to Colombia, Assistant Secretary of State for Inter-American Affairs, and U.S. Executive Director of the World Bank.

Even though Ambassador Oliver devotes most of his energy today to the study and teaching of law, he pauses in those tasks from time to time to share with his friends and readers some of his reflections on the subject of development.

One of such thoughtful pieces appeared recently in the Foreign Service Journal. In it, Ambassador Oliver focuses on the "New Problems of Social Development," stressing the need for prompt and effective action to redress the imbalance in favor of economic aid and economic development which has characterized the worldwide development effort during the past decade.

As always, I find Ambassador Oliver's thoughts and suggestions both stimulating and helpful. I hope that my colleaues will find them so also.

The item follows:

NEW PROBLEMS OF SOCIAL DEVELOPMENT

(By Covey T. Oliver)

The older problems of social development I came to know all too well while I was involved in inter-American affairs in the 1960s. They include:

Confusion about the meaning of social development.

Lack of usable doctrine contrasted to economic development.

Rejection of modernity by vested interest groups in developing countries including cultural and educational vested interests.

The Marshall Plan's dead hand on US development operations (it was exclusively economic).

The unfortunate legacy of Bretton Woods as to national backstopping of international development activities by non-development institutions such as finance ministries.

The reluctance of foreign offices in developed and developing countries to accept development as a new type of international relationship.

These problems, all of which have links to the two new problems of social development that I shall attempt to analyze, have so far always forced the center of gravity of external assistance toward the purely economic: infrastructure, productivity, import substitution, export intensification, foreign exchange policy and national accounts management. This is particularly noticeable in the Alliance for Progress. Social and civic development objectives are set out in the Charter of Punta del Este, but in Alianza assistance practice, institutional development related to the above economic goals is about as far as social development ever got. And even this degree of institutional development gets only secondary treatment in the Scarcity-Priorities Game that foreign assistance so far has had to be.

What is social development? As I use the term it is not necessarily the same as institutional development (a fairly neutral term—even a fascist or mercantilistic institution can be developed). And it is not exactly that rhetorical favorite, especially of some of the military, "nation building." Social development refers to modernization of the norms and processes for sharing benefits and burdens in societies. It is fairer sharing, especially on the benefits side: education, health, job opportunities (including job training), tax equity, effective administration (including honesty in government). Think of total development as light coming through a prism. Social development is a discernible area in the whole spectrum of development, and there are shadings from the equally discernible purely economic end all the way to the purely political end.

Some new lines of activity are still to be classified. Just recently we have all become conscious of ecological problems, and I think these challenges in developing countries should be included within social development.

Population control is harder to classify. It certainly is not yet purely economic; operationally it is still left to that portion of the political spectrum which in the game of nations as I know it might be called "Inviolable National Privacy."

Economic development, of course, has social effects; and some of these, undoubtedly, have been seen by ultra-nationalists and vested interests groups as impinging on "Inviolable National Privacy." To a considerable degree, the chant of "Trade, Not Aid" is the ploy of traditional export oligarchs, who find the so-called "foreign conditioning" of external assistance a threat to their internal advantages. Traditionalists, everywhere I suppose, incline to the "trickle-down" theory of human betterment. But the traditional export oligarchs that I have in mind are not even much for "trickle down," as may be seen by their strong and usually effective objections to greater taxation of them for the common good. Some exporters of traditional commodities are, of course, not oligarchs but little people. Export oligarchies vary as to countries and commodities. Sugar, for example, is hardly ever a mass man export interest.

On the whole, economic development practices and doctrines no longer fall within the taboo of "Inviolable National Privacy." One reason for this is the spread of economic development theories through graduate education of developing country nationals in developed country universities. Also, the feed-in of professional development economists into all development agencies has given the world a remarkably wide consensus of professionalism as to those items that above I listed as purely economic. How often is the cry of interventionism raised as to issues of monetary economics today? Not often, even as against the International Monetary Fund.

Purely political development is hardly ever attempted through foreign assistance, since political considerations are excluded by the articles of the multinational development institutions. Moreover, since much of economic development is no longer controversial, it seems largely in the field of social development that resistance to change occurs. That it occurs results in part from the fact that the doctrines and the men needed for social development are themselves far below the present stage of growth of economic development technology. Further, some social development schemes tend to be vague and half-baked. Too often they reflect the drives and pressures of faddists and of well-intentioned determinists in the developed world.

Also, there are some fundamental doctrinal disputes, such as the very important one whether developed-country concepts of basic education are relevant to the needs of the poor countries as to the conditioning of their peoples for as happy and effective lives as reasonable projections of national and regional improvement show may be possible. Nonetheless, there is a solid core of social development doctrine and experience available. Basically, the expectations in the field of social development draw upon, not the national idiosyncracies of a single developed country, but upon the modern—if always challenged—way of life generally common in the free, Western, developed world.

Does this concept present problems? Of an ideological nature in terms of 18th and 19th century notions, from the Physiocrats through Marx, yes. In terms of the actual administration of modern societies, hardly. Thus it seems to me a mistake to give great weight to oligarchistically-sourced yells of "gringo intrusion" when what the shouters are really attacking under nationalistic cover is something that is not gringo but modern social practice, whether in the German Federal Republic, Sweden, Idaho, or Australia.

We USA-Americans are remarkably masochistic, and too often we swallow the bait I call "Inviolable National Privacy" when it should be left dangling.

On the other hand, there are areas where the United States' way of doing things socially is not the way that all developed countries do them. In such areas, whether the United States is using its leverage through bilateral or multilateral assistance, it should "knowledgeably eschew ethnocentric predilection." I know of no better examples of our failure to do so than in the administration of criminal justice. While I was Ambassador to Colombia, every time an American was held in detentive custody pending investigation by the examining magistrate, I got the same type of "make protest" instruction from Washington: demand arraignment, bail, and so on. Had no one in the Department ever heard of the continental penal law system, without grand juries, bail bondsmen and the Mallory Rule? I often wondered, as I would again repeat my little essay on very simple comparative law, assuring the Department that we were receiving all the cooperation possible from the Colombians, within the maximum that their system would tolerate without discrediting it.

Another instance in the same area: Why did AID persist in sending non-Spanish speaking, common law lawyers to Latin America to advise on the modernization of the criminal process? Why not some aid-financed Swiss, Italian, German, or French,

experts, considering that, on the whole Latin America deals with criminal charges in ways still essentially Napoleonic?

Social development, bedeviled as it long has been in the various ways sketched previously, must now contend with new difficulties. These new problems are very serious: First, attitudes underlying them tend to put social development beyond the sphere of external assistance, thus throwing such development as remains back to an exclusively economic base and leaving the listed problems of social development free of operating pressures that they be solved. Second, as the Installation Address on August 7 of the new President of Colombia suggests, the regressive austerity of economic development on the very poor masses must be leavened with "people programs."

Although I have attempted without much result to get analytical appraisal as to whether the recent "near thing" in Colombia might have a causal relation to imbalance between economic and social development, the words of President Misael Pastrana Borrero tend to suggest there was one. In any event, economic development with only incidental social betterment components is no more than "trickle down," a philosophy of peaceful revolution that has never worked anywhere in the developed world. All the more reason why it should not be expected to work in the far weaker distributive structures of the developing countries.

The Low Profile Doctrine is neither objectionable nor new insofar as United States development concepts are concerned. Certain implications to the contrary are offensively unfair to Kennedy-Johnson diplomacy. True, there has always been considerable insensitivity in the execution of various aspects of foreign assistance; and it is only for understanding that I note the corrosive effects of similar insensitivities in the actual operation of internal anti-poverty programs. The cure for insensitivity and ineptness in either case is better training or better people, not in prejudicing or ending the effort. The development-related aspect of the Low Profile Doctrine that concerns me here is whether social development may drop out of operations, leading to the counter-productive disequilibrium that the recent Colombian election case possibly may present. The "drop out" dangers that I see as potential, but avoidable, are lack of development-related dialogue on social development issues and enlargement of the taboo area.

"No dialogue" might result if the United States responds only to developing country initiatives that do not contain significant social development elements. Every experienced assistance man knows how difficult it is to get specific development initiatives from the government of a developing country.

There has been great shrinkage in the area of "Inviolable National Privacy" in the past few decades. Most would agree that this has been good. Nonetheless, it is possible that unless encouraged otherwise, United States spokesmen vis-a-vis developing countries today may take the Low Profile Doctrine as a broad hint to widen the taboo area. This is a danger, not only in bilaterial diplomacy, but in multipartite-universal and multipartite-regional diplomacy. The area of development most vulnerable to widening of the taboo area is social development, considering that most political development is already within it. On a small planet, ever more widely divided between the very rich and the very poor, the nation state already stands all too frequently as a barrier between the grossly deprived within its territory and the possibilities of betterment that, not one developed country, but all planetary civilization, could provide.

What do we have, what can we reasonably expect, as to international development institutions and how can they do the things that can not be done bilaterally as well as some would like? Thus we have the setting for the second of the new problems, "bankability" and social development.

With the exception of the United Nations Development Programme (UNDP) and a small Organization of American States development fund, the existing multilateral development assistance institutions are banks. These banks have soft loan appendages, such as the World Bank's International Development Association, or they administer funds earmarked for varying degrees of concessionality in lending. There is not, so far, a worldwide or regional *full range* development *agency* with an array of authorizations in the development field comparable to that of the United States Agency for International Development. It is most important, it seems to me, that the present lack of multilateral institutions to do the whole job of development assistance ought to be kept seriously and constantly in mind as the merits of shifting emphasis from bilateral to multilateral assistance are appraised.

There is nothing wrong with the multilateral approach to development assistance except that the existing, well-financed (UNDP is not) multilateral institutions are not structured to go much beyond development lending plus some free technical assistance (almost always loan related) paid for out of the international institution's earnings and profits. The development loan approach to development assistance, even in the economic assistance field, has been found to be inadequate without large grant assistance for both capital transfer and technical assistance. The existing relationship of loans to grants in the totals of assistance supplied to developing countries has already created a serious repayment problem, as the Pearson Report shows. But here I wish to stress that social development—the absolutely essential structural and distributive modernizations that will make the trauma of development tolerable to present generations—is particularly vulnerable should foreign assistance become mainly multilateral, without there being changes in the international development institutions. Why?

One reason is that the development banks cannot use their capital raised by public financing in ways that would undermine the financial soundness of the bank's bonds. This means that every "hard" development loan proposal must, in a convincing and credible way, be quantifiable and, as so quantified, meet cost-benefit and related tests of bankability. President McNamara deserves great credit for taking managerial initiatives in the World Bank toward enlarging the scope of lending from the Bank's traditional field of essential national physical infrastructure into virtually the whole array of development needs, including education and population. Nonetheless, a loan is a loan is a loan, and in the social development field the big basic limitations are those related to "credible quantification"—credible, that is, to the more traditional executive directors and to the world's "money community." The Inter-American Development Bank is farther along with "social lending" than is the World Bank for the poor nations of the world, and at its soft window it has been more relaxed about pay out analyses. Nonetheless, even as to it, there are outer limits, not the least of which is the tendency of Congress to wish to ensure North American-type substantive audit oversight of lending operations.

Another reason changes are essential in international development institutions is that many social development projects are still highly controversial as to whether they are credibly quantifiable. It is not likely, for example, that national health, primary education, secondary education (other than vocational), and population limitation will in the near future be so measured.

As this is being written, the United States is putting into operation a new institution specifically directed toward social development in the Western Hemisphere. This institution, resulting from laudable initiative in the House Foreign Affairs Committee, will attempt to insulate social development support from the United States Government, as well as to raise funds from various nongovernmental and multigovernmental sources. Its future is still before it.

One established, truly international and universal, sub-institution that could become the world's full-range development agency is the International Development Association (IDA), usually thought of as the "soft lending" window of the World Bank. Inasmuch as IDA does not float bonds for its resources but depends upon periodic contributions from member governments, there is no reason why IDA has to function like a bank. But in practice an IDA loan has been analyzed exactly as a "hard" loan from World Bank bonded capital, except for the hard currency repayment capacity of the assisted country.

Originally, before serious limitations were imposed on IDA during its gestation, it was to be a grant, not a loan, agency. However, as finally constituted, IDA was authorized to give interest-free "credits." Is there a real expectation, deep down in the Junigan subconsciousnesses of the countries that have funded IDA that IDA "credits" are really payable like World Bank loans? Or, was the shift from grants to loans as IDA evolved a generally accepted sugarcoating of national reluctance to give to the poor countries as the United States had given to the developed but war-damaged Marshall Plan countries? Was the marked shift toward loans in bilateral assistance a similar benign avoidance?

My inclination is that the IDA credit could and should be changed to a clear grant basis. But that aside, what is essential is that IDA assistance, even if still called "credits," be freed of the rigors of "bankability" as described above. Only then will we have a multipartite development agency that will have capabilities throughout the social portion of the assistance spectrum.

This shift will require wisdom over the whole spectrum and great objectivity about the institutions of development, whether bilateral or multilateral. Where should this leadership be lodged within the United States Government? It would be extremely difficult to answer this question in terms of what I recall from experience in service about the varying senses of mission of the various Executive Branch subinstitutions that have "interest," in the matter. Suppose USAID is "balkanized" as proposed by the Presidential message version of the Peterson Report and coordination of the "split-up" is transferred to the Executive Office of the President. If this happens, the direction of United States positions in all multinational assistance institutions ought to be there, provided a genuine, driving sense of mission about the validity, urgency, and national interest significance of development assistance exists there. Otherwise, I should be content to see leadership lodged with whatever participating agency gives promise of the most drive. Congressional committee interests must be honored in allocations of authority in the Executive Branch. In the Senate, all foreign assistance is pretty much a Foreign Relations Committee matter, while in the House, the Committee on Banking and Currency has a leadership role so far as multinational banks are concerned.

In this appraisal of what we might call the "institutional development needs of international development institutions," little has been said about the development funds of the United Nations and the OAS. Both have considerable potential for social development, especially in the grant-funded, technical assistance field.

Unfortunately for the UNDP, the widening chasm between the few rich and the

many poor nations, each with eventual recourse to "one country, one vote," seems to have damaged seriously the prospects for significant capital transfers related to development in general through the United Nations. The noticeable lowering of Latin-American "drive" toward getting development assistance makes the outlook for expansion of the OAS fund poor.

The biggest danger to social development is that the new problems when added to its unsolved ones will submerge it in favor of strictly economic development "trickle down" and all that. The "trickle down" problem even exists in the field of social development in a rather insidious form. North Americans, especially well-intentioned lawyers, tend to assume that problems are automatically solved by improving institutions, norms and modalities. Social development inputs could easily take the form of tinkering exclusively with an array of institutions in developing countries, from university administration to stock breeders' associations, without coming to grips with the basic and urgent social justice problems that I believe lie at the heart of social development.

In taking this position I do not contest the overwhelming need for more adequate funding of economic development. No "numbers game" should be played with total amounts if foreign assistance goes mainly multilateral. All I seek to do here is to call attention to the most neglected part of an area of too much overall neglect, benign or otherwise.

THOU HYPOCRITE—BEHOLD, A BEAM IS IN THINE OWN EYE

(Mr. SAYLOR asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SAYLOR. Mr. Speaker, there is an old saying which warns people who live in glass houses about stonethrowing. The saying was probably originally intended for people in the public eye. As public officials know, the gentlemen of the fourth estate are constantly on the lookout for situations to point an accusing finger at Members of Congress. In the Nation's Capital, the Washington Post glories in its self-appointed role as the guardian and arbitrator of this, that, and everything, and more often than not, is pointing an accusing finger at some public official or policy.

You will understand my pleasure then, upon learning that the Post had been called to task by a member of the writing fraternity. And called to task on an "environmental problem."

In the recent edition of the Washington Monthly, there is an absolutely engaging article entitled "Pure Thoughts and Dirty Water" written by Mr. Dirk van Loon. In the article we learn that the mighty Washington Post, through a papermill subsidiary, is polluting the waters of the Mersey River in Nova Scotia to the tune of 14.5 tons of solids and 180 tons of chemicals every day. This situation was forcefully brought to the attention of the Post's management by Mr. van Loon and we learn that the Post is as evasive and noncommital about its responsibility for the pollution as have been some of the polluting firms criticized in the pages of the Post.

In order to get the full flavor of the Post's embarrassment, you must read Mr. van Loon's article and I urge you to do so at your earliest convenience.

The situation reminds me of a passage found in the Bible, which goes thus:

Judge not, that ye be not judged.

For with what judgment ye judge, ye shall be judged; and with what measure ye mete, it shall be measured to you again.

And why beholdest thou the mote that is in thy brother's eye, but considerest not the beam that is in thine own eye?

Thou hypocrite, first cast out the beam out of thine own eye; and then shalt thou see clearly to cast out the mote out of thy brother's eye.

The contents of the article in the Washington Monthly follows:

VIEWS OF THE PRESS: PURE THOUGHTS AND DIRTY WATER

(By Dirk van Loon)

Perhaps more than any other comtemporary political issue, the ecology problem is a challenge of the will. We are all fervently against pollution, filth, earth-splitting, and noise—united in our opposition by the single-minded agreement of politicians and the media. And we know that environmental rescue will demand sustained effort and personal sacrifice, which in turn will require a generous portion of public encouragement and leadership.

In this light, I was grateful for the inspiration provided by the environmental editorials of the Washington Post, until I moved to Nova Scotia a year ago and took up residence near the Post's own paper mill. My shock was overwhelming—as if I had learned that Winston Churchill had run guns to the Germans, or that Ralph Nader was a front man for the FTC, or that Vince Lombardi had given his plays to the other team. I began a series of exchanges with executives of the newspaper and the mill, culminating in the following open letter:

LIVERPOOL, NOVA SCOTIA,
November 7, 1970.

MR. PAUL R. IGNATIUS,
President,
The Washington Post,
Washington, D.C.

DEAR MR. IGNATIUS: In 1963, the Washington Post bought, and still owns, 49 percent of Bowaters Mersey Paper Company Ltd. in Liverpool, Nova Scotia. The remaining 51 percent is owned by Bowater, Inc. Bowaters Mersey mill produces about 180,000 tons of newsprint a year, half of which goes to the Washington Post.

According to a Bowater publication, the paper company "is one of Nova Scotia's largest industries, pumping back into the economy every year approximately $8 million in salaries and wages." No one living here denies the importance of Bowater to the local economy: this is a one-mill town, and there has been an understandable lack of public clamor over local pollution. But more and more people are painfully aware that the mill also pumps approximately 14.5 tons of solids (wood fiber, bark, grit, and dirt) and 180 tons of the chemical solution sodium lignosulfanate into the mouth of the Mersey River every operating day as waste products—none of it treated.

Solids and chemicals are flushed from the mill in about seven million gallons of water a day. Effluent from the main sewer outflow has an acidic pH of 4.8 to 5.2. Sea water, says a chemist at the mill, has a pH of about 8. The temperature of the effluent run between 70 and 75 degrees Fahrenheit winter and summer, considerably higher than the average temperature of Liverpool harbor.

The Washington Post is printed on newsprint made from a mixture of mechanical and chemical pulps. In making the chemical pulp, wood chips are cooked in a solution of soda ash and sulfur. Each day when the cooking is completed, quantities of unmeasured and unmonitored gas are vented into the atmosphere. There is sulfur dioxide in the gas, a chemical which, in a reversible reaction, can combine with moisture in the air to form sulfurous acid.

On June 22 of this year, I inquired about the Post's plans for the Bowaters Mersey plant in a letter to your executive editor, Benjamin C. Bradlee. He responded with a prompt, polite note, telling me he had passed my letter on to you. "I know he is actively exploring the disturbing matters that you raise," Bradlee said. "Thank you for bringing this matter to my attention." During the next seven weeks, I wrote Mr. Bradlee twice—thanking him for his reply and later asking him to encourage at least some acknowledgement from you of the active exploration.

If I sound overzealous about the pollution in my neighborhood, it is partly because I have read and been moved by editorials in the Washington Post, such as "Facing the Environmental Facts" on March 18, 1970:

"The problem (of preserving our environment) goes beyond politics and technology into the social and psychological parts of Americans. This is what the politicians and other leaders should begin talking about: that the environment will not be saved—and ourselves with it—by some kind of vague, collective 'concern.' It will be saved—if it is saved—by specific, individual sacrifice of personal comfort and economic growth. This is a dismal thought, perhaps, but easier to live with than the environment we will encounter in good time if we do not face up to it."

What sacrifice of personal comfort or economic growth is the Washington Post undertaking in the interest of preserving our natural environment? There must be room for sacrifice in a company currently undertaking a $25 million expansion of its downtown Washington, D.C., offices.

How concerned should we in rural Nova Scotia be over the stench from a pulp mill? A Washington Post editorial of January 4, 1970, "Getting Back to the Earth (and Air and Water)," makes the word "concerned" seem too gentle:

"Perhaps most alarmed are individual citizens, those who are sickened—literally and figuratively—at the putrid air, water and earth they cannot escape from, not even by 'going to the country,' because it is often worse there."

Indeed it is often worse there. The odor of sulfur dioxide is sharp and pervasive. It can be smelled 20 miles downwind from the Bowaters Mersey mill. Within five or six miles it is strong enough to sting the nostrils. In the immediate vicinity of the mill, occasional temperature inversions trap the gases. Lawns turn brown.

Does it really matter that the Bowaters Mersey mill dumps tons and gallons of untreated effluent into the Atlantic? On April 18, 1970, the editors of the Washington Post wrote:

"Unless the dumping of contaminants in the ocean can be stopped, 'dead seas' are likely to become as commonplace as 'dead lakes' are now."

On August 11, you finally reported on the Bowater Mersey situations as follows:

"Upon receiving the June 22nd letter, I, of course, sent a copy to the management of the Bowaters Mersey Paper Company in Liverpool so that they could become familiar with its contents and address the questions it raised. I have been in touch with them since then by telephone. They believe the best way to pursue the matter would be through a meeting with Mr. M. G. Green, president of the Company, at a time convenient to you and Mr. Green."

In another month there was a letter from Mr. Green suggesting we meet to discuss Bowaters Mersey plans and policies concerning pollution.

We met. I learned that the mill in thinking of spending between $750,000 and $1 million over the next five years for systems which may recover up to 80 per cent of the

14.5 tons of solids now sliding into the bay each day. These recoverable solids, waste products from the mechanical pulp process, are mostly reusable wood fibers, and Bowaters Mersey is spending $160,000 in the next two years on installations which are designed to pick up about four tons daily.

These plans are heartening—at least until you discover that plans beyond the $160,000 investment are extremely vague and tentative, or until you find that company figures are not available for comparing anti-pollution investments with promotional expenses and corporate property acquisitions. ("We have to be discreet about some items," said Mr. Green.) The picture becomes dimmer when you realize that even the company's most optimistic plans would result in a continuing discharge of almost four tons of solid waste effluent a day into the mouth of the Mersey River after 1975. The beaches of Sandy Cove just west of the mill are drifted high with the rotting remains of weed chips and fibers, and the company has no plans to restore the miles of beaches.

Worst of all, Bowaters Mersey has no plans whatever to attempt recovery or treatment of the 180 tons of daily glut flowing into the bay from the chemical pulp process—in which about 150 tons of wood lignin combine with about 30 tons of sodium bisulfite to produce the lignosulfate waste effluent. This process acidifies the water, poisons fish and plantlife, and sends noxious sulfur dioxide into the air. The chemical wastes constitute 12 times the gross tonnage of the solid wastes, and they are much more harmful. The solid wastes from the mechanical process make the landscape ugly, but the chemicals make the environment downright dangerous. According to Mr. Green, there are no plans to install any system for treating this enormous volume of daily waste. One experiment now under way, aimed at lowering air pollution, will actually increase chemical dumping in the bay. It involves trying to remove sulfur dioxide from exhaust gases by bubbling them back through the sewer effluent.

The whole Bowaters Mersey situation is discouraging because victims of local pollution are obliged to shuffle between the company management, which professes to be enslaved to stockholder demands, and the principal stockholders, who generally stress their remoteness from the whole grisly affair and that their reltaionship to the mill is limited to the mail service.

You concluded your August 11 letter by saying that you would "continue to follow this matter, for the questions you raise are important ones." I find much less of the crusade posture here than appears on your editorial page. Your followship role seems much less weighty than one would expect from your dual positions as president of the Washington Post and board member of Bowaters Mersey Paper Company Ltd. Your publisher, Mrs. Katharine Graham, holds a similar position at the mill.

I grant that most, if not all, pulp mills pollute. It is a very difficult problem which may require sacrifices from everyone—although I think residents here have already sacrificed a great deal. But I would much prefer to see you and your editorial board deal squarely with the responsibilities of the Post's own newsprint factory in Nova Scotia. A candid, informative analysis of your corporation's problems in trying to cope with the devastating harm the mill inflicts on the environment would be more of a public service than your current practice of dispensing earnest sermons on the question of ecological will power while glossing over the Bowaters Mersey mess in your own front yard. In the absence of such honesty, editorials like the one on February 11, 1970, may turn back on you some day:

"The deep horror concerning the environment is not that we have ravaged and poisoned our section of the planet—but that we live with the horror so calmly."

Sincerely yours,

DIRK VAN LOON.

FEDERAL PLAN CALLS FOR JOBLESS SCIENTISTS TO WORK ON URBAN ILLS

(Mr. MORSE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MORSE. Mr. Speaker, the serious economic dislocation and rising rate of unemployment being experienced by many communities and industries as a result of reduced levels of military and space spending has finally focused national attention on the need for prompt and concrete action to ease the shift to a peacetime economy.

I have been convinced for many years, moreover, that the technology and management skills developed by our defense and aerospace industries over the past years can be applied to the solution of public problems, and in 1967 wrote an article for the Harvard Business Review delineating some of the virtually limitless possibilities for the application of these techniques, for example to the solution of environmental pollution, inadequate education, congested transportation, urban decay, and inferior medical care.

The domestic problems of our urban society daily become more awesome and complicated, and we can no longer assume that only traditional techniques of government can solve them. Today, moreover, employment in the defense and defense-related sectors of the economy has declined by some 700,000, and many highly skilled people, technical experts, engineers, and scientists, now find themselves unemployed, or in very real danger of losing their jobs at a time when there are increasingly fewer opportunities for finding new employment. The impact of this not only on the unemployed and their families, but on the future stability of the engineering and scientific fields is tremendous.

In the past several weeks, therefore, I have been meeting with a number of these specialists, formerly employed by defense and space industries, in an attempt to formulate a program which will provide them opportunities to apply their knowledge of systems techniques and management skills to find solutions to our urgent social needs. One area with immediate potential is the city, where there is a shortage of planners, systems analysts, and personnel with the technological knowledge and management know-how needed to cope with complex urban problems. The capabilities of these scientists and engineers could, for example, easily be put to use in devising new and more effective ways for police routing, transportation systems, pollution control, traffic control, and parking.

I was greatly encouraged, therefore, when the city manager of Lowell, Mass., Mr. James Sullivan, contacted me about the potential use of these specialists in solving some of the problems of that city. His studies verified the need for such modern management techniques and pointed out at least some 20 positions in city management which could be filled by available scientific and technical personnel. Since then I have had a member of my staff working directly with Mr. Sullivan in the city manager's office in order to develop a pilot project for Lowell which would demonstrate the feasibility of using these specialists in municipal and local government.

This concept, and our efforts, have now been confirmed by action on the Federal level. The Assistant Secretary of the Department of Housing and Urban Development and chief of HUD's model cities program, Floyd Hyde, recently proposed a plan which identifies the city as an area where new technology can be utilized to maximum benefit and which is designed to put some 2,000 to 3,000 presently unemployed scientists, physicists, and engineers to work on urban problems.

It has become increasingly clear that there is a need for new ways to solve our urban problems. It has also become clear that the necessary technology and manpower resources are available. The problem so far has been to consolidate the two. Secretary Hyde's plan is, I believe, a major step toward this goal.

His plan would, in addition, recruit Vietnam veterans and persons from poverty areas to work as assistants to these specialists, thus providing these individuals increased opportunities to acquire the skills and the understanding of urban difficulties which will allow them to move into management positions.

I have discussed this program at length with Mr. Hyde, and as he, have been greatly encouraged by the enthusiastic response received from many mayors and city managers throughout the country. His plan will, I am convinced, go a long way toward filling the management needs of our cities, and enable municipal governments to deal with their problems more effectively and efficiently. It is now being put into draft form and hopefully will be before the President within a week or two, and I would like to include at the conclusion of my remarks two articles from the New York Times and the Washington Post which describe this plan.

What we have here is one of the most significant steps yet in making for a smooth and meaningful transition to a postwar economy. I cannot emphasize strongly enough the need for rapid progress in this direction. It is with the highest hopes, therefore, and the greatest praise for Secretary Hyde's creativity, his initiative, and his efforts, that I urge my colleagues' careful study and strong support for this new model cities plan.

FEDERAL PLAN CALLS FOR IDLED SCIENTISTS TO ATTACK CITY ILLS

(By John Herbers)

WASHINGTON, December 12.—The Nixon Administration is considering an emergency training and recruitment program that would put many of the nation's 45,000 unemployed scientists, physicists and engineers to work on urban problems.

The plan, which would begin with a fast training program for several thousand persons, originated in the Model Cities Division of the Department of Housing and Urban

Development. It has been approved by top officials in the domestic departments and has been submitted to the White House for approval.

CALLED STEP IN CONVERSION

It is based on the fact that, while aerospace and defense industries across the country have been laying off highly skilled employees by the thousands cities trying to come to grips with increasing urban problems have been short of planners, systems analysts and technologists of various kinds.

With only a little additional training, officials here believe, the skilled jobless can help fill needs of the cities.

Administration sources who have been working on the plan said it could be an important step in converting from a military to a peace economy.

The authors of the plan were hopeful of winning White House approval because the plan would not require new budget outlays. The training and recruitment would be incorporated into existing programs and would be financed from funds already appropriated by Congress.

An example of how the plan would work can be seen in the Boston area, where some 10,000 specialists have been laid off as Government contracts in space and military projects have declined.

Yet Lowell, Mass., a city of about 90,000 population near Boston, has about 20 openings that could be filled, with some training, by many of those laid-off specialists. An unemployed doctor of philosophy with both technical and business background who had worked in the Apollo space program could be employed by the city of Lowell in a variety of ways—from computerizing the tax collection system to improving the transportation system.

Lowell has not found the doctor of philosophy because the city has only a limited recruitment program and has no funds for retraining specialists.

The plan being worked out within the Administration calls for an initial demonstration project that would retrain 2,000 to 3,000 specialists in several areas including Boston, Los Angeles and Wichita, Kan.

If the demonstration project were successful, it would be expanded to include many other areas. The plan is based on a small pilot project that the Department of Housing and Urban Development successfully conducted in recent months in its search for specialists to work in model cities and other programs.

Special instruction would be set up in colleges in the areas involved and would be combined with on-the-job training. It would be paid for by departmental or other grants.

"We think there are 15,000 to 20,000 specialists who would like to work in urban affairs," the Administration source said. "Cities are able to pay better salaries than is generally believed, and many of those highly skilled people are now working as bartenders or are not working at all."

ROLE FOR VETERANS, TOO

Another aspect of the program would be to recruit Vietnam veterans and persons from poverty areas to work as assistants to the specialists, putting them in line for management jobs later.

The program is designed to encourage the building of professional staffs both in City Hall and in model cities agencies, which work under City Hall, using Federal funds to improve poverty areas.

Many cities now employ outside companies to do planning and analysis work that could be done by their own staffs, if they had the necessary professional personnel. For example, New York paid several million dollars to the Rand Corporation to program a system of policemen's beats.

"We think it is important," a Government spokesman said, "for cities to build their own management capacity if there is going to be the kind of decentralization and local control envisioned."

THREE THOUSAND MUNICIPAL POSTS ARE PLANNED FOR JOBLESS AEROSPACE SCIENTISTS

Nixon Administration officials are pushing a plan to hire about three thousand of the nation's 45,000 jobless aerospace scientists for jobs going begging in local and state governments.

The proposal would also provide for training and jobs as city technical aides for about 3,000 veterans returning from Vietnam.

Ronald L. Ziegler, presidential press secretary told newsmen yesterday that the plan had yet to reach the White House.

The job proposal is being developed by Floyd Hyde, Assistant Secretary of Housing and Urban Development and chief of HUD's flexible-subsidy Model Cities program. Its estimated federal cost is under $5 million.

Hyde's aides said the plan had been widely endorsed by mayors and city managers, who reported about three thousand vacancies in planning, budgeting, and other technical staffs.

According to HUD estimates, there are about 45,000 out-of-work aerospace scientists or technicians and about 80,000 returning veterans who cannot afford to take advantage of the Vietnam GI bill because its benefits are too low.

"You pair these guys," observed one HUD specialist, "give them training, and they can go up the ladder side-by-side."

The tentative HUD plan, calls for:

A quick training and orientation program for scientists and ex-GI's, paid for under existing federal manpower and Model Cities programs. Each trainee would make a three-year job commitment.

Placement in technical jobs in the cities with continued training—on the job or in local universities, with the cities paying full salaries with federal help until the newcomers are fully integrated.

Concentration of HUD efforts in economically hard hit aerospace centers, such as Boston's Route 128 complex, Seattle, San Diego, Huntsville, Ala., Cape Kennedy, Fla.

GENERAL LEAVE

Mr. JONES of Tennessee. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include therein extraneous material on the special order today by the gentleman from Illinois (Mr. MIKVA).

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

There was no objection.

LEAVE OF ABSENCE

Mr. WINN (at the request of Mr. GERALD R. FORD), for today and the balance of the week, on account of personal business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. JONES of Tennessee) to revise and extend their remarks and include extraneous material:)

Mr. O'HARA, for 30 minutes, today.

Mr. REUSS, for 60 minutes, today.

Mr. GONZALEZ, for 10 minutes, today.

Mr. STAGGERS, for 30 minutes, December 17.

Mr. JACOBS, for 60 minutes, December 17.

(The following Members (at the request of Mr. KYL) to revise and extend their remarks and include extraneous material:)

Mr. FINDLEY, for 20 minutes, today.

Mr. MILLER of Ohio, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. ROSTENKOWSKI (at the request of Mr. FOLEY) immediately following the remarks of Mr. FOLEY on the Foley-Quie amendment in the Committee of the Whole today, on H.R. 18582 the amendments to the Food Stamp Act of 1964.

Mr. SCHEUER, immediately preceding the vote on the foreign aid appropriations conference report today.

Mr. HALL, and to include extraneous material during consideration of H.R. 18582 today.

Mr. MATSUNAGA to revise and extend his remarks during the consideration of the Foley amendment.

(The following Members (at the request of Mr. KYL) and to include extraneous material:)

Mr. HOSMER in two instances.
Mr. HUNT in two instances.
Mr. WYMAN in two instances.
Mr. ANDERSON of Illinois.
Mr. CARTER in two instances.
Mr. ZWACH.
Mr. SCHMITZ in two instances.
Mr. LUKENS in two instances.
Mr. WHALEN.
Mr. PRICE of Texas in three instances.
Mr. FORSYTHE in two instances.
Mr. THOMPSON of Georgia.
Mr. DERWINSKI.
Mr. FINDLEY.
Mr. KUYKENDALL.
Mr. BROYHILL of Virginia.
Mr. REID of New York.
Mr. BRAY in two instances.

(The following Members (at the request of Mr. JONES of Tennessee) and to include extraneous matter:)

Mrs. HANSEN of Washington.
Mr. EILBERG.
Mr. UDALL in two instances.
Mr. BURKE of Massachusetts.
Mr. BARING in two instances.
Mr. DOWNING in two instances.
Mr. WALDIE in three instances.
Mr. EDMONDSON in two instances.
Mr. HAMILTON in 10 instances..
Mr. DENT.
Mr. HARRINGTON in two instances.
Mr. LEGGETT.
Mr. HUNGATE in three instances.
Mr. FUQUA.
Mr. COHELAN in two instances.
Mr. KARTH.
Mr. SYMINGTON in two instances.
Mr. ROONEY of New York.
Mr. HAGAN in two instances.

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. POAGE: Committee on Agriculture. House Joint Resolution 1415. Joint resolution to extend the time for the proclamation of marketing quotas for burley tobacco for the three marketing years beginning October 1, 1971 (Rept. No. 91–1760). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOLIFIELD: Committee on Government Operations. Protecting America's estuaries: The Potomac (Rept. No. 91–1761). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H.R. 19686. A bill to amend section 367 of the Internal Revenue Code of 1954; with an amendment (Rept. No. 91–1762). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H.R. 322. A bill to amend the Internal Revenue Code of 1954 to modify the provisions relating to taxes on wagering to insure the constitutional rights of taxpayers, to facilitate the collection of such taxes, and for other purposes; with an amendment (Rept. No. 91–1763). Referred to the Committee of the Whole House on the State of the Union.

Mr. FALLON: Committee on Public Works. H.R. 13493. A bill to change the name of certain projects for navigation and other purposes on the Arkansas River; with an amendment (Rept. No. 91–1764). Referred to the House Calendar.

Mr. PERKINS: Committee of conference. Conference report on S. 2193; with an amendment (Rept. No. 91–1765). Ordered to be printed.

Mr. THOMPSON of New Jersey: Committee of conference. Conference report on S. 704 (Rept. No. 91–1766). Ordered to be printed.

Mr. HOLIFIELD: Committee on Government Operations. The Rural Electrification Administration and the Hoosier Power System in southern Indiana (Rept. No. 91–1767). Referred to the Committee of the Whole House on the State of the Union.

Mr. CELLER: Committee of conference. Conference report on H.R. 17825; with amendment (Rept. No. 91–1768). Ordered to be printed.

Mr. CELLER: Committee of conference. Conference report on H.R. 6114; with amendment (Rept. No. 91–1769). Ordered to be printed.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 19953. A bill to authorize the Interstate Commerce Commission to provide financial assistance to certain railroads in order to preserve essential rail services, and for other purposes; with amendments (Rept. No. 91–1770). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASHLEY (for himself, Mr. McCULLOCH, Mr. HAYS, Mr. AYRES, Mr. BETTS, Mr. BOW, Mr. VANIK, Mr. DEVINE, Mr. LATTA, Mr. ASHBROOK, Mr. CLANCY, Mr. HARSHA, Mr. MOSHER, Mr. BROWN of Ohio, Mr. STANTON, Mr. LUKENS, Mr. MILLER of Ohio, Mr. WHALEN, Mr. WYLIE, Mr. STOKES, and Mr. CARNEY):

H.R. 19964. A bill to name a Federal building in Cleveland, Ohio, for Michael A. Feighan; to the Committee on Public Works.

By Mr. O'HARA:

H.R. 19965. A bill to provide for a program of public service employment, to make jobs available for persons who are unemployed or underemployed in areas of needed public service, and for other purposes; to the Committee on Education and Labor.

By Mr. STAGGERS:

H.R. 19966. A bill to establish a National Cancer Authority and to authorize international programs and joint ventures in order to conquer cancer at the earliest possible date; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. GIBBONS:

H.R. 19967. A bill for the relief of William E. Browning; to the Committee on the Judiciary.

By Mr. RYAN:

H.R. 19968. A bill for the relief of Gershon George Rijwan; to the Committee on the Judiciary.

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. 8293. An act to amend section 303(b) of the Interstate Commerce Act to modernize certain restrictions upon the application and scope of the exemption provided therein, and for other purposes;

H.R. 16498. An act to permit the sale of the passenger vessel *Atlantic* to an alien, and for other purposes; and

H.R. 19888. An act to provide for the inspection of certain egg products by the U.S. Department of Agriculture; restriction on the disposition of certain qualities of eggs; uniformity of standards for eggs; in interstate or foreign commerce; and cooperation with State agencies in administration of this act, and for other purposes.

ADJOURNMENT

Mr. DANIEL of Virginia. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 15 minutes p.m.), the House adjourned until tomorrow, Thursday, December 17, 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:

2619. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated April 3, 1970, submitting a report, together with accompanying papers and illustrations, on city of San Leandro Marina, Alameda County, Calif., in partial response to items contained in sections 7 and 110 of the River and Harbor Acts of 1946 and 1950 (H. Doc. No. 91–428) to the Committee on Public Works and ordered to be printed with illustrations.

2620. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated October 26, 1970, submitting a report, together with accompanying papers and illustrations, on Sabine River and tributaries, Texas and Louisiana requested by a resolution of the Committee on Public Works of the House of Representatives dated June 3, 1959, and to two resolutions of the Committee on Flood Control, House of Representatives adopted March 20, 1954 (H. Doc. No. 91–429) to the Committee on Public Works and ordered to be printed with illustrations.

2621. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated September 8, 1970, submitting a report, together with accompanying papers and illustrations, on Pleasant Bay, Mass., authorized by the River and Harbor Act approved July 14, 1960 (H. Doc. No. 91–430); to the Committee on Public Works and ordered to be printed with illustrations.

2622. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated October 26, 1970, submitting a report, together with accompanying papers and illustrations, on Red Run Drain and Lower Clinton River, Mich., in partial response to a resolution of the committee on public works, House of Representatives, adopted July 31, 1957. It is also in partial response to section 206 of the 1958 flood control act approved July 3, 1958, and section 206 of the 1965 Flood Control Act approved October 27, 1965 (Southeastern Michigan water resources study) (H. Doc. No. 91–431); to the Committee on Public Works and ordered to be printed with illustrations.

EXTENSIONS OF REMARKS

RESTORE THE V. & T. RAILROAD

HON. WALTER S. BARING

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 16, 1970

Mr. BARING. Mr. Speaker, I wish to make note of a worthy effort on the part of Nevadans of the Nevada Heritage Association who are attempting to restore for posterity a part of the heritage of the Old West which is largely responsible today for the growth of this Nation westward; that is, the railroads.

I believe this restoration project, as described by the following well-documented news clippings from the Reno Evening Gazette, Reno, Nev., exemplify the value of the educational success that this project would have for the general public and especially the children of America.

Mr. Speaker, I enclose the following articles:

BOOST THE V. & T.

Efforts of the Nevada Heritage Association to raise funds for restoration of the famous old Virginia and Truckee Railroad are already commencing to bear fruit, is the encouraging word from Dr. Linden A. Rushmer, executive secretary of the association.