homes . . . that "normalcy" is suspect and perversion is normal.

Too many churches have become arsenals, not just for the bombs and weapons of the Black Panthers or the Blackstone Rangers, but for strange ideologies.

We have pushers preaching strange gospels . . . among them the freakish propaganda that it is heroic to rebel . . . that it is noble to rebel against one's parents.

We hear less and less about a man called Jesus and more and more about strange concepts of religion.

We have too many pushers who prattle a pseudoscientific jargon as they tinker with that most delicate mystery in all the universe—the human mind . . . something far too precious to be ministered to by the amateur or the Saturday dilettante. Sensitivity is not the property of the young nor was it invented in the last decade.

We have pushers who have constantly preached the idea to us that this younger generation is the "smartest ever" . . . that the stinking body-odored mop-haired brigade with their non-negotiable demands really are Sir Galahads in disguise.

There's no reason for our generation to have an inferiority complex and hide our heads in shame. Ours is the generation that licked polio and is on the verge of a breakthrough on cancer. Ours is the generation that went to the moon . . . and it wasn't done by the devotees of that weird belief that there is virtue in a "pass-fail" system of measuring scholastic achievement.

Ours is the generation that made America the most affluent country in the world . . . the nation that has dared to open its gates to hundreds of thousands fleeing tyranny and seeking opportunity . . . and still does. This is the generation that dared to desegregate its schools . . . the nation that is presiding over the greatest social and economic revolution in world history.

If we must plead guilty to something then we oldsters should hang our heads and plead guilty to over-loving our children . . . of listening to those like John Dewey and his ilk and we gave them over-permissiveness. We let the pushers in the pulpits and the classrooms "con" us into believing that discipline was strictly for the birds.

The pushers did sell us a bill of goods and we are now reaping the whirlwind of mediocrity . . . the evil dividends of the "Dick-Jane" era of textbook pseudo learning.

This is not the smartest generation ever . . . if you believe in the findings of Prof. Sir Cyril Burt, who reveals how shabby our achievements have been.

Our responsibility now is not to continue our past mistakes . . . the younger generation may not be any smarter . . . our responsibility today is to come up with an education system that doesn't make our youth any dumber.

There are a lot of "pushers" in America today . . . and not all of them are pushing drugs . . . they are peddling doctrines far more deadly . . . ideologies that threaten the survival of a great nation.

U.S. IMAGE DESCRIBED AS VARYING

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 15, 1970

Mr. BOB WILSON. Mr. Speaker, last week, former Director of the U.S. Information Agency Leonard H. Marks, delivered a significant talk to the World Affairs Council in San Diego, emphasizing the importance of communication between the United States and Communist China.

Mr. Marks stressed that our country establish lines of communication with the 800 million inhabitants on the Chinese mainland, and outlined a program for this effort.

As a former Director of the U.S. Information Agency and as an expert in the field of communications for more than 20 years, Mr. Marks speaks with great knowledge and experience.

The World Affairs Council, which sponsored this presentation, is composed of leading citizens of San Diego, many of whom have had extensive experience in world affairs, particularly in military activities. This organization is performing a vital task in bringing to San Diego important speakers familiar with the current scene. Among other speakers during the current session have been William Foster, former Director of the U.S. Disarmament Agency, and several ambassadors from foreign countries. The next meeting will feature Under Secretary of State Alex U. Johnson.

A summary of Mr. Marks' remarks was included in the San Diego Union on March 25, 1970, a copy of which I include in the RECORD:

U.S. IMAGE DESCRIBED AS VARYING

(By Eston McMahon)

Leonard H. Marks, former director of the United States Information Agency, said last night that there is no such thing as an American image throughout the world.

Marks was the guest speaker at a dinner meeting of the San Diego World Affairs Council in the Mission Room of the Bahia Hotel, Mission Bay.

Instead of the image, he said, "It's a question rather of what people think of the United States in a particular country at a particular time."

Elaborating on what the people of other nations think of the United States, Marks said:

"For example, when we landed men on the moon we had an image—justifiably—of a country great in scientific achievement and capable of carrying out the most difficult task ever assigned to man.

"When we have riots in our major cities, when we have a breakdown of law and order, our image is quite different. The United States, or any other country, can be judged by what it does instead of what it says."

CITIZENS AS AMBASSADORS

Then the speaker told his 150 listeners that every U.S. citizen becomes an ambassador when he travels abroad or deals with visitors from foreign countries.

Marks stressed the importance of communication between nations:

"With telephone, telegraph, radio, television, it is more vital than ever before that we communicate with those that share this world with us. When people know each other, they find they share common characteristics."

Marks said individuals of the different nations are concerned principally that they have enough food, shelter, productive employment and an opportunity to raise children to carry on the heritage of their parents.

Again referring to communication, Marks said that Communist China, with 800 million people and centuries old culture, has no communication with the other nations of the world.

Marks said that when he was chief of the USIA in 1968, he made an effort to communicate with Communist China before the November elections. He said he invited Chinese journalists to come to the United States to observe democratic process in action.

"I offered to enable them to visit any part of the country they desired and to ask questions freely and report through the Voice of America to the rest of the world what they had learned," Marks said.

REBUFFED BY PEKING

Then he added:

"In response, Radio Peking called me a tool of decadent capitalism and ignored the offer. It takes two to communicate."

The speaker was introduced by Col. Irving Salomon, president of the council.

When Marks was director of the USIA, his special assistant was Howard Chernoff of San Diego. Chernoff is now commissioner general of the United States exhibits at Expo '70 in Osaka, Japan.

HOUSE OF REPRESENTATIVES—*Thursday, April 16, 1970*

The House met at 12 o'clock noon.

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

He who is faithful with little is also faithful with much.—Luke 16: 10.

Eternal God, we pray for our Nation set today amid the perplexities of a changing order and face to face with great, new tasks. We remember with pride how our leaders in times past arose to the occasion defending our liberties and preserving our unity. We recall with love the influence of dedicated spirits who devoted themselves to the welfare of our people.

Now we come to Thee in this challenging day praying that we may have courage to meet our tasks with clarity of purpose, strength to carry our responsibilities with high honor and faith to serve our people with fine fidelity.

God bless America. Let Your healing, cleansing, and strengthening power move in our hearts as a nation and bring us together who belong together, who need each other, who can help each other and who would enjoy each other.

Bless our astronauts. Grant unto them the peace of Thy presence, unto their families the strength of Thy spirit and unto us all the assurance that Thou art with us as they safely return to earth. Amen.

THE JOURNAL

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

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 721. An act to safeguard the consumer by prohibiting the unsolicited distribution of credit cards and limiting the liability of consumers for the unauthorized use of credit cards, and for other purposes;

S. 1148. An act to constitute the College of the Virgin Islands and the University of Guam land-grant colleges, and for other purposes; and

S. 1814. An act to provide for public ownership of the mass transit bus system operated by D.C. Transit System, Inc., and other private bus transit companies engaged in scheduled regular route operations in the Washington Metropolitan area to authorize interim financial assistance for the D.C. Transit System, Inc. pending public acquisition of its bus transit facilities; and for other purposes.

DUMPING IN GREAT LAKES

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

Mr. VANIK. Mr. Speaker, the administration's proposal to halt the dumping of dredged materials in the Great Lakes by the Army Corps of Engineers constitutes a sham effort to solve the pollution problem. The administration's plan undertakes to charge hard-pressed local governments with 50 percent of the cost of building diked areas to receive the dredged fill.

Since 1899, the Federal Government has assumed the full cost of building and maintaining the Nation's system of navigable waterways—including the building of dams, locks, and the dredging of navigational channels. The disposal of dredged material which we now find to be overladen with pollutants is an expense directly related to the maintenance of navigable channels.

The President's proposal appears to reverse and backslide from a 70-year policy of the Federal Government relating to the construction and maintenance of shipping channels in navigable waters.

The silt-retention program proposed by the administration would cost at least $35 million in Federal funds and a minimum of $35 million in local funds. The cost of the Cleveland Harbor project alone would exceed $11.5 million. Although this is a 10-year program, most of the costs would have to be incurred immediately in order to provide adequate diked areas which will be needed the year after next. The dikes in the Cleveland area constructed with Federal funding as a pilot project will be filled next year. How can Cleveland be expected to face up to a $5.75 million expenditure to meet an unexpected and unprecedented demand for local participation?

The administration's proposal completely ignores the desperate financial plight of local governments. It provides little hope of solving a critical pollution problem which is destroying the valuable natural resources of the Great Lakes, and Lake Erie in particular.

I am preparing legislation to restore the Federal Government's responsibility in this matter. The local governments are incapable of shouldering 50 percent of the cost of this needed program. The impossible cost-matching program proposed by the administration constitutes an artful dodge of Federal responsibility.

A MEMORIAL TO ROBERT F. KENNEDY

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

Mr. KOCH. Mr. Speaker, Robert Francis Kennedy, born in Boston, Mass., ran in New York in 1964 for his first public office after having served with distinction as U.S. Attorney General. I remember that campaign very well. He was attacked by his opponents as a carpetbagger. Those New Yorkers, and I take pride in saying that I was one of them, who believed in him supported his campaign because we saw in him a passion and devotion to right wrongs and be the champion for the oppressed. He represented New York with great dedication. He will always be remembered as a distinguished son of New York and missed by Americans throughout the country.

While the Bedford Stuyvesant Restoration Corp. will be a living memory and continuing expression of his work, we do not have in New York City a major monument in the name of Robert Francis Kennedy. I believe that the newest Federal office building at 26 Federal Plaza would be a very appropriate building to bear his name. It is a handsome building standing in Foley Square directly across from the Federal Courthouse.

While no physical marking is ever needed to maintain the memory of a great man, it still is appropriate to give his name to such a facility as we have done for other great men of this country. I hope that this bill, which I am introducing today, will receive bipartisan sponsorship as did the legislation creating a suitable gravesite for his interment in the Arlington National Cemetery.

PRAYERS ARE NEEDED FOR ALL AMERICANS WHOSE LIVES ARE THREATENED IN THE SERVICE OF THEIR COUNTRY

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

Mr. HORTON. Mr. Speaker, three American men left on a dangerous mission last Saturday. They were well trained, dedicated Americans who knew the dangers they had to face. They were also Americans with families who prayed for their safe return.

These three Americans—Sp4c. Valentine B. Gomez of Dallas, Tex.; Pfc. Ronnie L. Johnson of Meeker, Okla.; and Sp4c. Clifford L. Tarbell of Bombay, N.Y.—never returned from their mission. They were killed in combat action in Vietnam.

Three other Americans—Jim Lovell, Fred Haise, and John Swigert—also left on a dangerous mission Saturday. Right now they are fighting for their lives in the hostile atmosphere of outer space. These astronauts have the prayers of the people of the United States as well as the prayers of people across the world. These prayers are seeking the safe return of our astronauts tomorrow.

Let us not limit our prayers to the safe return of the three astronauts. We should—every day—offer prayers for the safe return home of all Americans who are risking their lives in hostile atmospheres in the service of our country. Let us pray for a very swift end to the tragic war in Southeast Asia. Let us pray that no more American lives are lost in foreign wars.

CONDUCT OF JUSTICE DOUGLAS

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

Mr. WYMAN. Mr. Speaker, for myself and approximately 100 cosponsors, I am at this time introducing a House resolution to establish a select committee of three Republicans and three Democrats to investigate certain complaints of misdemeanors and lack of good behavior by Justice William O. Douglas, and to report back to the House within 90 days.

I most respectfully urge the chairman of the Rules Committee to which I hope this resolution will be referred, to schedule it for hearing at the earliest possible moment.

Many Members of this body are outraged at the public writings and statements of this sitting member of the Supreme Court that at the very least condone, if not encourage, rebellion and even revolution against the U.S. Government by force and violence. What happened in Boston last night is a good case in point. Others are concerned by charges of financial interests in conflict with both statute and bar restrictions.

This matter should be investigated under oath and subject to penalties of perjury, and a recommendation submitted to this House as to whether or not Justice William O. Douglas should be impeached. Every day that his disruptive conduct is allowed to continue to pass unchallenged brings both the Court and this House into disrepute, for this is the only body in the world having the responsibility for impeachment in these circumstances.

ATTORNEY GENERAL JOHN MITCHELL

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

Mr. KING. Mr. Speaker, at a time when our values are under attack and crime and fear of crime threaten to dominate our lives, it is a blessing to have for our chief Federal law officer a man of the courage and dedication of John Mitchell. He has brought back to the Office of Attorney General the image of the crusader—the knight in shining armor who will drive away the forces of evil. He has a true grasp of problems

which law enforcement faces and has taken positive action to confront those who would make a mockery of our very way of life. He has reminded us that society too has some rights and that we need not, and should not, be dominated and coerced by the vocal an militant minority who would destroy our country and its traditions.

Under Attorney General Mitchell the term "law and order" takes on meaning. Respect for our police and for the vital task they perform is returning. He cannot solve the crime problem overnight, but we can see progress.

President Nixon justifiably places great faith and trust in his Attorney General. The President selected a man of strong will and great capacity. The confidence which the President has continually expressed in his choice for this key office has been well placed. John Mitchell is a topnotch leader and man.

IMPEACHMENT OF JUSTICE DOUGLAS

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

Mr. JACOBS. Mr. Speaker, it was reported in the press this morning that I am an admirer of Justice William O. Douglas. Let the RECORD show that I have neither admiration nor contempt for the man; I have never met him. My motive for introducing the resolution of impeachment is as clear as my statement of last evening.

The gentleman from Michigan has stated publicly that he favors impeachment of Justice Douglas.

He, therefore, has a duty to this House and this country to file a Resolution of Impeachment.

Since he refuses to do so and since he raises grave questions, the answers to which I do not know, but every American is entitled to know, I introduce at this time the Resolution of Impeachment in order that a proper and dignified inquiry into this matter might be held.

In other words, as a member of the Committee on the Judiciary I shall enter with an open mind the investigation which I insist upon and presume will be held by that committee.

MINIMUM INCOME FOR EVERY FAMILY

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

Mr. FRIEDEL. Mr. Speaker, while I am not happy about the funding levels involved in H.R. 16311, I do intend to vote for it. It seems to me that despite its financial failings the present bill does represent a significant improvement over the old aid-to-dependent-children program. I endorse wholeheartedly the concept involved in this new program of attempting to keep the family unit stable.

The financial assistance level of this program is inadequate. A family of four people just can't live on $1,600 per year or approximately $134 a month. Such a mere subsistence level may be an improvement in certain areas of the country but in our urban areas it is just not enough. I would be much happier with the legislation if these levels could be raised; however, I recognize this will not be possible.

In conclusion, Mr. Speaker, the new program is not everything we wanted but for the first time in our history, we will have established a Federal minimum-income floor, and built into the system new work and training programs. These steps will give our people on welfare needed incentives and opportunities.

It is truly a significant beginning in the right direction. The idea of a minimum income for every family in the richest Nation in the world has been talked about for over 30 years. By our action today it will move ever closer to becoming a reality.

REQUEST FOR PERMISSION FOR COMMITTEE ON BANKING AND CURRENCY TO SIT DURING GENERAL DEBATE TODAY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may sit during general debate today.

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

Mr. HALL. Mr. Speaker, I reserve the right to object to the unanimous consent request as propounded by the majority leader in order to ask him if this is consistent with the denied unanimous consent request last evening, to meet early today, for consideration of this important welfare plan legislation. Is it not important that Members be on the floor for its consideration and, if so, why do we have such a request?

Mr. ALBERT. The request is made, I will say to the gentleman, at the request of the Committee on Banking and Currency. It has been cleared, according to the information given to me, and I never make these requests unless they have been cleared, by the ranking minority Member, the gentleman from New Jersey (Mr. WIDNALL) and I understand, by the distinguished minority leader, the gentleman from Michigan (Mr. GERALD R. FORD). It relates to the bill, H.R. 16891, to authorize U.S. participation in increases in the resources of certain international financial institutions, to provide for an annual audit of the Exchange Stabilization Fund by the General Accounting Office, and for other purposes.

It is my understanding that the committee is anxious to proceed with this matter.

Mr. HALL. Mr. Speaker, I do understand the majority leader's position and I understand that there has been clearance with both sides, or else he would not be handling it himself. But I also understand that you cannot have it both ways. We cannot come in early and expedite the business of the full House and have other committees sitting. I think it is much more important that we stabilize the economy of our own country by individual Members' attention to consideration to the bill we have before us as another social experiment, rather than be considering the lending of money to other countries.

Mr. Speaker, I object.

The SPEAKER. Objection is heard.

CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

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

A call of the House was ordered.

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

[Roll No. 81]

Ashbrook	Fulton, Pa.	Mollohan
Ashley	Gallagher	Murphy, N.Y.
Baring	Gettys	O'Hara
Bell, Calif.	Gray	Ottinger
Blatnik	Gubser	Patman
Brown, Calif.	Hanna	Pollock
Broyhill, Va.	Hébert	Powell
Cabell	Heckler, Mass.	Quie
Celler	Holifield	Railsback
Clark	Kirwan	Scheuer
Clay	Langen	Schneebeli
Culver	Leggett	Teague, Calif.
Dawson	Lennon	Teague, Tex.
de la Garza	Long, La.	Tunney
Dellenback	Lowenstein	White
Diggs	Lukens	Wyatt
Erlenborn	McCarthy	Wyman
Esch	McMillan	
Feighan	Mikva	

The SPEAKER. On this rollcall 375 Members have answered to their names, a quorum.

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

PRINTING OF COMPENDIUM ENTITLED "ECONOMIC DEVELOPMENTS IN COUNTRIES OF EASTERN EUROPE"

Mr. BOGGS. Mr. Speaker, I offer a resolution (H. Res. 921) and ask unanimous consent for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 921

Resolved, That there shall be printed concurrently with the original committee print, one thousand additional copies of a compendium entitled "Economic Developments in Countries of Eastern Europe" for use of the Joint Economic Committee.

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

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

APPOINTMENT OF CONFEREES ON H.R. 11102, PUBLIC HEALTH SERVICE ACT

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 11102) to amend the provisions of the Public Health Service Act relating to the construction and modernization of hospitals

and other medical facilities by providing separate authorizations of appropriations for new construction and for modernization of facilities, authorizing Federal guarantees of loans for such construction and modernization and Federal payment of part of the interest thereon, authorizing grants for modernization of emergency rooms of general hospitals, and extending and making other improvements in the program authorized by these provisions, with Senate amendments thereto, disagree to the Senate amendments, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia. The Chair hears none, and appoints the following conferees: Messrs. STAGGERS, JARMAN, ROGERS of Florida, SPRINGER, and NELSEN.

CONDUCT OF ASSOCIATE JUSTICE DOUGLAS

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

Mr. QUILLEN. Mr. Speaker, during the last several days much has been written and said by the news media concerning the effort underway to impeach Supreme Court Justice William O. Douglas.

Quite frankly, Mr. Speaker, I favor these efforts.

In fact, I am of the opinion that the charges of misconduct against Douglas are serious enough on their face to warrant immediate impeachment proceedings against him in the House.

I am cosponsoring the resolution introduced today which authorizes a congressional investigation of Douglas' conduct. I certainly favor such an investigation although I am not absolutely sure it is necessary as a preliminary step before impeachment proceedings.

We must not have men with Douglas' reputation serving on the highest court of last resort in this country. I certainly agree with the resolution that Douglas has "willfully and deliberately" undermined public confidence in the Court as an institution.

PERMISSION FOR SPECIAL INVESTIGATING COMMITTEE OF COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE TO SIT DURING GENERAL DEBATE TODAY

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that the Special Investigating Committee of the Committee on Interstate and Foreign Commerce may be permitted to sit during general debate this afternoon.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

H.R. 16311—THE NEW WELFARE PROGRAM

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

Mr. FOREMAN. Mr. Speaker, I have some very serious reservations about H.R. 16311, the guaranteed annual wage welfare program. Admittedly, the present welfare program is costly and inequitable—however, I believe this bill would move us in the wrong direction because it will probably add several million more persons to the welfare rolls, more social workers, more Federal control, bureaucracy, and dependence at an estimated additional annual taxpayer cost of $4 billion or more than we are now spending. Our objective should be to seek a reduction, not an increase, of overloaded welfare rolls. We should work to reduce the cost and control of government by the enactment of programs that encourage individual work, incentive, and responsibility—not reward nonproductivity and irresponsibility. We need to work toward more jobs and permanent job security rather than permanent relief.

Welfare was originally designed as a method to aid people who were sick, disabled, or temporarily in need—however, it has gradually come to be regarded as a means of bringing about a more nearly equal distribution of income—and this is a most serious threat to individual initiative and excellence. This new program violates the basic principles of individual incentive, responsibility, and free enterprise that have built this great country.

This country has always been a work-, property-, and incentive-oriented society—and it should continue to be. Most Americans who work for their living have little sympathy for the concept that every man should be guaranteed an income by the Government regardless of whether he can or will work. A Federal Government guaranteed annual income will destroy self-reliance, individual responsibility, self-respect, and the incentive to work. Therefore, in good conscience, I cannot support or vote for this program that I sincerely believe can eventually destroy the moral fiber of the United States of America.

FAMILY ASSISTANCE ACT OF 1970

Mr. MILLS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 16311) to authorize a family assistance plan providing basic benefits to low-income families with children, to provide incentives for employment and training to improve the capacity for employment of members of such families, to achieve greater uniformity of treatment of recipients under the Federal-State public assistance programs and to otherwise improve such programs, and for other purposes.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 16311, with Mr. DINGELL in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, the gentleman from Arkansas (Mr. MILLS) had 1 hour and 25 minutes remaining, and the gentleman from Wisconsin (Mr. BYRNES) had 1 hour and 48 minutes remaining.

The Chair recognizes the gentleman from Arkansas (Mr. MILLS).

Mr. MILLS. Mr. Chairman, I am pleased to yield 10 minutes to the distinguished gentlewoman from Michigan (Mrs. GRIFFITHS), a member of the committee.

Mrs. GRIFFITHS. Mr. Chairman, I rise in support of the President's bill on welfare.

I feel that it is an amendment that is long overdue. I would like for you to look at it for just a moment from a different view than others have taken.

At the present time, one of the heaviest burdens that rests upon your State or your city has been placed there by the Federal Government—and it is the burden of welfare. This is the thing that is destroying most of America's cities. As that tax burden on property becomes heavier and heavier to pay these welfare costs, more and more people move out of the city and more businesses move out. If there were no other reason for voting for this bill, the proper reason for voting for it is that welfare should not rest upon the property in cities or in States, but it should be paid for by the Federal Government out of the General Treasury of the United States.

This is the burden of every person, not merely the burden of those who live in a specific area. The Federal Government is in the best position to pay and the Federal Government should pay.

I will admit that under this bill they will not pay the full bill, but I am sure the day will come when this burden will be taken off the taxpayers in the various States as a State tax and placed where it properly belongs.

I would like to tell you some of the things that I think are wrong with the bill and that I think should be corrected and I am sure will be corrected.

In the first place, this bill pays only if you have a child. I think that is a mistake. I think that the poor, the single poor and the married childless poor should be paid also. I think it is an error to pay only if there is a child. But I am sure this problem will be taken up in later Congresses and corrected. I think additionally it is a mistake to say that a woman can stay at home as long as she has a child under 6. I do not believe the society gives her a choice. I think the social workers make that choice, and I think this was proved in the WIN program in New York City, where they found that few women were able to go out and work, and at the end of the year I believe they had train-

ed 106 women. I think the social workers make that choice. I think most of these women want to work and they can work and they are anxious to do so. But they have to be given an opportunity to work.

I would like to explain also another amendment that I offered to this bill which was not accepted. I hope that amendment will be placed in the bill over in the Senate. I feel that a teenage girl who becomes pregnant should be required to continue in school after the birth of the child, or should be given further training.

I would like to explain to you that in New Haven, Conn., a survey was made of 100 girls who had left school because of pregnancies. At the end of 5 years, 387 children had been born to those 100 girls. That is almost a baby per year. In New York they then selected 100 girls who were pregnant. They gave them all kinds of assistance. They gave them additional training, and at the end of 2 years only 11 children had been born. There is no person in our society on whom a greater burden is going to be placed than the teenage girl who bears a child, and we are money ahead if we aid her to support herself and her child.

The CHAIRMAN. The Committee will rise informally in order that the House may receive a message.

MESSAGE FROM THE PRESIDENT

The SPEAKER assumed the chair.

The SPEAKER. The Chair will receive a message.

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

The SPEAKER. The Committee will resume its sitting.

FAMILY ASSISTANCE ACT OF 1970

The Committee resumed its sitting.

The CHAIRMAN. When the Committee rose informally to receive the message, the gentlewoman from Michigan had the floor. The gentlewoman will proceed.

Mrs. GRIFFITHS. I would like to point out again that while I do not believe this bill is perfect, a good start has been made. In every State in this Union there will be some saving to the local taxpayers. But this is the only possible remedy that local taxpayers can ever look forward to as saving their homes literally from condemnation to take over this welfare burden.

In the State of Massachusetts alone the welfare burden is the equivalent of 25 percent of the State budget. I repeat to each Member that this burden did not come from Massachusetts. It is not exclusively their fault that these people are on welfare. Some of them came from other States. They came there of course looking for work. But in my opinion welfare is a national responsibility. It is not the burden of a locality, and this is not the way it should be handled.

I congratulate the President. I feel he has offered a good first step. I urge every person to vote for this bill before his own community is destroyed.

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

Mr. GROSS. Mr. Chairman, I have listened with interest to the gentlewoman from Michigan. I certainly agree with her that the tax burdens of the States and local communities are onerous, but I do not agree with her premise that the Federal Government is in better shape to solve all the problems of the States and local subdivisions of government. I cannot recall when the the Federal Government last had a balanced budget. It has been running deficits as high as $20 billion a year, piling up the Federal debt until it now approaches $385 billion. No, I cannot subscribe to the theory that the Federal Government is in better shape to take care of the problems of the entire body politic, including the entire welfare system of this country.

I regret the gentleman from Arkansas (Mr. MILLS), the sponsor of this bill, is not here because I wanted to address a question or two to him.

In the first place, I am getting all kinds of figures as to the real cost of this bill. Some say it is $4,400,000,000 more than is already on welfare. I wonder if the gentleman from Wisconsin could help me with this. I have talked with other Ways and Means Committee members and they have given me other figures, running to much higher totals than $4½ billion. I would appreciate it if the gentleman could tell us what this bill would cost in addition to what we are now spending for welfare.

I yield to the gentleman from Wisconsin.

Mr. BYRNES of Wisconsin. Mr. Chairman, if the gentleman will refer to the committee report, on page 53, he will see that we included a table projecting Federal costs for the first year of operation. For that year, 1971, the basic payments of $1,600 per family, plus the 30 percent matching of State supplements, would total $4.6 billion.

Existing legislation—that is, the Federal share of AFDC—would call for a cost that year of $2.5 billion. So the additional cost, as far as that aspect of the program is concerned, is the difference between $4.6 and $2.5 billion, or $2.1 billion. That is the difference between 1971 costs of the AFDC program—aid to families with dependent children—and the cost that would be incurred under the family assistance program.

If we are dealing in dollars and cents, the cost difference involving that part of the program on which we have had most debate is this difference between $4.6 billion and $2.5 billion.

The gentleman may get confused—and it is understandable—on the overall cost of the bill, because in addition to the family assistance changes, we are changing the cost of what we call the adult assistance category; that is, our assistance to the aged, to the blind, and to the disabled.

Under the new bill, the Federal share of adult assistance will be $2.7 billion. That cost today is $2 billion. So there will be an increase of $700 million in that category.

If we combine the costs of those two facets of the bill—the one which is more controversial and the one which apparently is not so controversial—the total cost under the legislation will be $7.3 billion.

The total cost of the present legislation, projected on a full year basis, is $4.5 billion. So there will be an increase of $2.8 billion for the first year under the new bill.

Mr. GROSS. Then the figure which someone gave yesterday——

Mr. BYRNES of Wisconsin. That figure I mentioned is the cash outlay. I should add that there will be training, day care, and administrative costs, which could account for another $900 million. So the total comes to $3.7 billion, so far as the basic change in cost under this bill is concerned.

I also should call the gentleman's attention—so that he has a proper perspective on this situation—to the projections of the costs of the current program, and of the proposed legislation beyond 1971. Those figures are also shown in the table on page 53, and it is noteworthy that by 1975, according to these projections, the cost difference between this bill and the current program would drop from $2.8 billion to $1.1 billion. And much of this added sum would be recaptured, hopefully, as more and more welfare recipients turn from welfare rolls to payrolls.

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

Mr. GROSS. I yield briefly to the gentleman from Pennsylvania.

Mr. WILLIAMS. I should like to say that the total additional cost of the so-called family assistance plan is beyond calculation at this time, because there is going to be a new department set up in HEW to handle the administration of this plan. Today, no one knows how many people are going to be needed to staff that new department.

In addition to that, this bill provides for the recovery of any money fraudulently collected from the Government. In my opinion this is going to mean almost a doubling of the size of our present Justice Department.

Mr. GROSS. Does the gentleman have a total figure for that?

Mr. WILLIAMS. No. In spite of my efforts to get some concrete figures on the amount of personnel which will be necessary to administer this law, I have been unable to get any figures.

Mr. GROSS. I thank both the gentlemen for their remarks. The gentleman from Pennsylvania points up the utter uncertainty as to cost.

Mr. COLMER. Mr. Chairman, will the gentleman yield to me on that particular subject?

Mr. GROSS. I am always pleased to yield to my friend, the gentleman from Mississippi.

Mr. COLMER. I asked the gentleman to yield not because I have any expertise on the matter, or any accurate figures. I tried to listen to the testimony of the various advocates as well as the opponents of this proposal before the Com-

mittee on Rules. I can safely say that there was no testimony which placed the additional cost of this program over the present program at less than $4.5 billion. Some of the estimates ran much higher.

There was a general consensus that the minimum was $4.5 billion and that it was almost impossible to get any accurate figures.

Mr. GROSS. I thank the distinguished chairman of the Rules Committee for that contribution, because that is the minimal figure which was given here yesterday. Yet, others say the add-on cost of this bill may well be above $6 billion. I am just trying to get some kind of firm answer and again I am disappointed that the chairman of the Ways and Means Committee is absent. As the sponsor of this socialistic legislation, he should be able to provide specific cost figures as well as inform the House where the revenue is to be obtained to meet the spending of additional billions.

Now, the chairman of the committee (Mr. MILLS) has been widely quoted in the newspapers as saying that if the base of $1,600 is increased in the other body he will divorce himself from support of the bill. I wish he had remained on the floor so that I might ascertain whether this is correct.

I address a question to the gentleman from Wisconsin (Mr. BYRNES) as to whether he is going to go to the other body, if this bill passes, and agree to an increase in the base figure of $1,600.

Mr. BYRNES of Wisconsin. Will the gentleman yield?

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

Mr. BYRNES of Wisconsin. The chairman of the committee and I agreed, not only between ourselves, but publicly through an announcement before the Rules Committee that we were holding—and that we would hold—to the ceiling of $1,600. We said that was our limit, and that if the other body saw fit to go beyond that, they would face the same situation they faced on a few other occasions: We would just refuse to go to conference and there would be no legislation. I have not changed my opinion on that, and I believe I am at liberty to say that I am not advised by the chairman that he has changed his opinion. I am sure, if he had, he would have let me know.

Mr. GROSS. I am glad to have the answer from the ranking minority member of the committee, but I well recall what happened when the bill, extending certain excise taxes, was sent to the Senate. It was understood then, and without qualification, that members of the House Ways and Means Committee would not permit the Senate to write tax legislation by inserting in the excise bill a 10-percent surtax. As Members of the House well know the Senate initiated that surtax legislation and the House conferees accepted it. But even at $1,600, the door to guaranteed annual income and full blown socialism has been opened.

Mr. Chairman, passage of this legislation will put a premium on the production of more illegitimate children and encourage indolence on the part of those who have no desire to work. And the added billions of cost will mean either higher taxes or more borrowing, more debt, deficit, and inflation.

I cannot support this legislation in its present form even though I agree that reorganization of welfare is overdue. Neither President Nixon nor the Ways and Means Committee had to go to this length to attain the result of reorganization and coordination.

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

Mr. FULTON of Tennessee. Mr. Chairman, I yield 5 minutes to the gentleman from Texas (Mr. BURLESON).

Mr. BURLESON of Texas. Mr. Chairman, there have been some very able speeches made on this subject today and yesterday. Our able and distinguished chairman of the Ways and Means Committee and the ranking minority member, the gentleman from Wisconsin (Mr. BYRNES) were very convincing in presenting the case for the measure before us.

This whole proposal is convincing in theory. It sounds so good on the surface. But I remember in 1962 and in 1967 what happened. As a matter of fact, looking at child welfare, it started in 1935. This is no new program. However, in 1962 and 1967 the able chairman of the Committee on Ways and Means and the gentleman from Wisconsin, the ranking minority member, just like the vast majority of you, sold me on it and I voted for it on the proposition that "You are going to take people off of the welfare rolls and put them on the payrolls."

And here we are again today with the same slogans and cliches. You know, incidentally there is a remarkable thing about this whole business. If this had been proposed during the Kennedy administration or the Johnson administration, there would have been holes in the top of this ceiling right over here on the Republican side of the aisle. You know that as well as I do.

Now, several have inquired as to the cost of this program. Why, I say to you, there is nobody who can tell you the cost of it. We are going to be back in here before too long to ask you to raise the debt limit, and if we have any integrity in the Federal Government, we are going to be back here asking you to raise taxes. And people just got through paying them last night. There is no one who can tell you what this program is ultimately going to cost as a matter of fact there is no clear estimate of what the additional cost will be for the first year.

They talk about training. Why we have a training program on every corner in all the Federal programs already in effect. Here is a list of them.

I think there are nine or 10 training and retraining programs, and now it is proposed to create one bigger than any of them. Here they are. There are six pages of training programs under manpower training programs which come out of the Committee on Education and Labor and those programs which come out of the Committee on Interstate and Foreign Commerce as well as the Committee on Ways and Means. There is no use of my reading them, but look at them and you will find all sorts of other such programs. In addition, this bill provides for the creation of another WPA and any other make-work programs which the Federal Government may devise.

Now, Mr. Chairman, we say we are going to train people to get off the welfare rolls and onto the payroll. How good it sounds. However, do not be misled. We are going down the road of no return. This is just a start. Have you seen Federal programs of this kind shrink?

Talk about a guaranteed annual income? I heard my good friend, the gentleman from Wisconsin (Mr. BYRNES), say yesterday that we already have one. But, at least, there is some judgment exercised on the part of welfare workers and others who carry on the present program—they have some judgment and discretion as to who goes on it, but this program puts people on welfare automatically. About all they have to do is consent. The Supreme Court just a few days ago ruled that once on welfare a recipient cannot be removed until and unless a Federal court rules on the question.

Mr. Chairman, a family of four has been used in the report on this bill and as an example in most of this debate. There are many families in this country who have more than two children. There are many families of seven, eight, nine, and 10 who will qualify under this program. Face it—you know and I know that these size families are likely to be those who are more likely to qualify.

The wage earner in that family would be having to make almost $8,000 a year, or else it would be more beneficial if they went on this program. Where is the incentive in these conditions?

Mr. Chairman, great emphasis has been placed on training and retraining under the provisions of this proposal. Under this program a man can say, "I will go to work if it is a job located at a distance of not more than 1 mile, but if it is 2 miles, that is too far."

There is no definition of "suitable" employment. You cannot tell what it means. One thing we could do, however, is to send this bill back to the Committee on Ways and Means. Everyone seemingly agrees that the present program is a failure. This being the case, surely our committee will be willing to take action toward corrections.

The present program has been referred to as a "mess," and that I can agree with. I am just thankful, but it is of little consolation to me, that I have not been a part of it. I have not been a part of the Great Society's relief programs. Therefore, I am free to say about this one that it will be a mess, too. So, we are going to cut off our nose to cure our sinus. That is about what it amounts to. We are going to put one failure on top of another.

With reference to the motion to recommit this bill, it will probably contain language to change a word or two, but to be reported back "forthwith," will be meaningless.

Mr. Chairman, it is not going to make any difference whether we have a motion

to recommit. It will be pretty tough to vote against this bill because it has increased the adult benefits and with that I agree. Inflation, for which the Federal is largely responsible, in my judgment, is causing hardship on people in this category.

Mr. Chairman, I propose, if the situation permits, to offer a motion at the appropriate time to strike the enacting clause and give to the members of the committee a straight vote on this measure. I believe if such a motion is adopted the Ways and Means Committee can bring you something much better than what is offered to you today.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield 3 minutes to the gentleman from Alabama (Mr. DICKINSON).

Mr. DICKINSON. Mr. Chairman, I thank the gentleman from Wisconsin for yielding. If I may have the gentleman's attention I would like to propound a question to the gentleman, if it has not been answered already in the brief time I was away from the floor. If I may have the attention of either the ranking minority member on my side or the proponents of the legislation on the other side, as I understand it, at least, this is designed to keep families together and to keep the husband at home where he can live up to his responsibilities.

But, is there anything contained in this bill that would keep a family from splitting up, whether it be done by official act such as a divorce decree or by separation and the husband leaves taking with him two of the children and leaving three of them with his wife. Will they both become eligible if both of them set up two different units or households and receive payment for these two separate households?

Would this be possible under this bill, or is there a prohibition against that?

Mr. BYRNES of Wisconsin. Mr. Chairman, if the gentleman will yield, we do not prohibit this as such. But if they establish two homes they will have more expense than the amount of additional assistance they would receive under the provisions of this bill.

Let me also call the attention of the gentleman to the fact that there is an entirely new concept written into this bill which is not in the current law concerning the financial responsibility of the father to support their families. He can not avoid this financial responsibility by moving into a separate household or out of the State. Under this law there is a responsibility of this father to the Federal Government. The Federal Government says any money that we pay out under this program for the benefit of your children or your wife is a charge that we have against you. We can collect this directly or we can withhold funds to you at any time by the Federal Government to recoup what we have paid out on behalf of your children and wife.

We do not say that poor people have to live under the same roof, but we do say to the fathers that you cannot avoid your financial responsibility to your family by failing to do so. We do not rely on the law as it is today, I would say to the gentleman from Alabama, to enforce through a local agency the father's obligation to support. This now becomes a Federal matter, a Federal responsibility, and a responsibility of the parent to the Federal Government.

Mr. DICKINSON. I would like to say—and I thank the gentleman for his answer, and I hope that it will work, because if it does it will certainly be refreshing. But after over 8 years as a judge of the domestic relations court and juvenile court, and based on my personal experience, it is my opinion that you may well have a family split and a claim of part of the children both ways. There is no provision to keep checking on these people to see that they, after they have established this basis of living separately, do not move back into the same house, stay under the same roof, sleep in the same bed as husband and wife—because they do not have to be divorced—and how do we police this? How do we guard against it, and what makes it certain that it will not come about under the provisions of this bill?

The CHAIRMAN. The time of the gentleman has expired.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield 1 additional minute to the gentleman from Alabama. I do so for the purpose of asking the gentleman from his experience if he has not found that one of the real problems that we have had is the lack of enforcement of responsibility on the parents toward the support of their children?

Mr. DICKINSON. Absolutely.

Mr. BYRNES of Wisconsin. And does not the gentleman think that we have made a good step forward where we impose a subrogation, in the sense that the Federal Government is able to go against this individual for any funds that Uncle Sam has paid out in his regard?

Mr. DICKINSON. I would say to the gentleman that I think it is fine in theory, but it just is not workable under the Uniform Reciprocal Support Act.

Mr. BYRNES of Wisconsin. That is why we made it a Federal offense, because the Reciprocal State Act, as the gentleman well knows, depends on one State getting the permission of another State, whereas in this case a Federal agent moves in, and there is no need of getting permission from a State.

Mr. DICKINSON. Who is the Federal agent who is going to move in? That is what I do not understand as to how this can be enforceable. Do we have a cadre, a police group that goes around enforcing this, or does each agency have so many enforcers and investigators?

Mr. BYRNES of Wisconsin. The Federal Government will put the responsibility, as far as turning over these cases is concerned, up to the proper prosecutors, which would be Federal, and to the Secretary of Health, Education, and Welfare, which has paid out the money. Say you have some money that you paid out. You paid it out in behalf of Mr. Jones for his children. You find Mr. Jones and prosecute him.

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

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield 1 additional minute to the gentleman from Alabama.

Mr. Chairman, let me also call the attention of the gentleman from Alabama to this case of splitting up. If the family wants to live together, then there is a responsibility on the part of the father to register. We do not insist that they both register.

Now, there are some critics who say that both the husband and wife should be required to register. That is not required in this particular case, where the two are living together. But once they separate, once they start two different households, then both the male living over in one household has to register, and the woman living in the other household has to register. And they must do more than register—they have to take jobs, so they will both go to work under this circumstance, and maybe we would save money in the long run if we had both people working.

Mr. DICKINSON. I thank the gentleman for his explanation.

Just let me say, I have heard the previous speaker in the well, the gentleman from Texas, and I wish I had said what he said because to me he summed it up very aptly and very ably. I believe in everything he said and I subscribe to his statement.

I talked with my welfare director at home and he says that this present plan will cost the State $9 million more than it is presently having to pay.

According to my director, if we are forced to match what will be available in 1971 we will be forced to spend $9 million more to match the Federal portion. Whether this is so or not, I do not know, but I do know this—no one knows exactly what it is going to cost. It is another layer on top of a layer, and I hope everyone who votes for this bill will vote for it with the firm conviction and in the sure knowledge that you are going to have to vote a tax increase to pay for this. If you are not willing to vote for a tax increase, then do not vote for this bill.

The CHAIRMAN. The time of the gentleman has expired.

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

Mr. DENT. Mr. Chairman, I voted against the rule.

Last night I tried to read what I could on this legislation and I made a decision that is not one I normally make. But this being the kind of legislation—and I want to vote for some kind of legislation dealing with problems in this important area, I decided that if there is a vote that will send it back to the committee meaningfully so that we can have an opportunity to look at it, I am going to vote for that motion.

Failing in that, then I am going to vote for the bill on final passage in the hope that I will get another look at it and will get an opportunity to present my views to the Senate.

First of all, the view that I take of this is that it steps into an area that I am not so sure the Committee on Ways and Means has the expertise to discuss and present to the House, without some consideration being given to what they are doing.

There are in America today about 13 million Americans who are not covered by the minimum wage law. Automatically—and I studied this all night, I am as positive about this as I am of the fact that I am standing up here—automatically will be put under annual wages, outside of a single person, one not without a family. You are actually covering 13 million Americans at a rate of yearly minimum wages—I mean a rate of minimum pay wage that is above anything that we even try to put through this Congress or intended to try to put through this year for a worker to receive.

A worker in the $3,000 class which is roughly the minimum wage in America today, and the highest payment under the family allowance for a worker in the family of four group. If he has no children at all or just has a wife or it is the case of a wife with a child, they would receive—that wife with a child—would receive $160 above the minimum wage.

However, carrying that through—the four examples that I personally got this morning from the four girls who clean offices—the smallest family in that group was six and the largest was nine. In a family of nine, in addition to that girl's pay, it would amount to an added $2,560 of $5,260 total pay.

How can I, as chairman of the Committee on Minimum Wage, attempt to come before this Congress with any kind of sensible and reasonable minimum wage bill, not considering a man working full time under a positive pay plan, without considering his family?

You are now at this time, at this stage of our history, and I want it clearly understood, I hope you know what you are doing, and it may be the right thing to do. I have the greatest faith in and I have the greatest friendship for the chairman of this committee. I know he would not deliberately upset every union contract in the country and yet he may well do this if a large number of workers are added to the work force under this act.

The rate of pay under the union contracts is based upon the classification of a job and not upon the number of members in the family.

If you are basing it upon the number of members in a family, you find yourself in a position where men working alongside each other, doing exactly the same classification of job, will be earning the same set rate of pay, because that is the classification of that job under either union contract or individual job placement.

But if the employee happens to have a large family, he will receive more money for the work he performs. The only difference is that it will not cost the producer any more money. We shall now start again on the never-ending road of subsidy of the production of goods in this country. Every farm helper in America will receive a minimum pay under this bill greater than we have ever been able to give them.

It took 30 years—and during some 18 of those years I have been at the forefront of the battle—to cover every worker in America under new wage laws. We had to go to the far extreme of taking the largest farms on a limited number of days of work to pass the most minimal pay of $1 an hour, reaching to $1.25 in 1971, February 1. But this automatically changes it, and the only area that your Committee on General Labor can function in dealing with the minimum wage will be in that area of income for an individual or a man and wife living together. It is only in that area. This bill is based upon the premise that more manpower training is going to create more jobs. Let me tell all of you right now that what most of us do not understand is that the greater bulk of the number of persons on permanent relief in this country are unemployable persons. Studies reveal, if you will look into the matter, that the average work year in America encompasses 210 days of work. Persons today with large enough a family who are making as much as $2.40 an hour will find themselves drawing a supplement.

Do you know that the average wage, under contract, of textile workers in America is $2.40 an hour? Do you know that the average wage of the clothing workers and garment workers is only 25 to 50 cents above the minimum wage? You will be establishing for the first time in the history of our Nation a new base for the payment of labor, and I remind you of the warning given many years ago that when you get into this type of legislation, keep in mind that the minimum becomes the maximum. The maximum becomes the minimum.

I just came back from Mexico. I went down there to spend 2 days on my own to look into the Proneff Territory. Fifty thousand jobs had moved over into that territory in 2 years and 7 months. There were no training programs, and every one of those industries will tell you that in the United States, if they do not have manpower training programs, they have no jobs for these people. In Mexico they take raw labor and put them to work. They have moved across the necessary production machinery, the same production machinery we have in the United States, into the Proneff Territory of Mexico, where they are paying $3 a day in the same classified jobs in electronics paying over $3 in the United States. I want you to look long at this bill, because the error of the 1970's is going to be the critical error in our lifetimes. The critical decade in our lifetimes will be the 1970's when the question will be decided as to whether we survive as a free-enterprise system or not. Unless I am miserably mistaken, what we are doing is to establish the base for the deterioration of the kind of free labor and free-enterprise system in which labor and management have bargained together. We are subsidizing industry the same as we subsidize agriculture. We have never been able to get out from under that, and we will never be able to get out from under this load, because if any person who has just been given a job can get $3,000 as a minimum wage and $2,600 as a Government subsidy, the employer does not pay the subsidy.

I tell you that when you are working alongside a man, doing exactly the same job he is doing and he receives only $3,000, and you receive $5,600 he does not want to know or care how many children you have. He has been brought up in an economy where you get paid for what you do, not for how many children you have. What is the use of talking about easier abortion laws; what is the use of talking about pills? What is the use of talking about cutting down the birth rate when we are introducing a program that would increase the birth rate? I do not know where to go. I do not know where to turn. Do I vote against poverty people or do I vote aye and hope for a chance to correct the inequities in the Senate.

This I do know: I am a troubled Member of this Congress this day. We have not had a chance to offer amendments because of the closed rule.

There is not any sound reason for this, because we are not going to remove people from welfare, because in this country today we still have millions of persons who are not earning this money. We have close to 13 million Americans we have tried since 1938 to put under the minimum wage law.

In the last instance, when the bill came before me, we had reached $1.60 an hour, but we had to reach it in a 3-year stretch—and in a 4-year stretch for some classifications. Why did we move in the area of minimum wages on classifications? Because we followed the historical lines of a free enterprise society, and we paid for the job that is done. We did not pay for the number of children people had. If this becomes the concept, we will find, as sure as we are in this room today in this great Congress of ours, that the minimum will become the maximum.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio (Mr. DEVINE).

Mr. DEVINE. Mr. Chairman, I rise with some reluctance today on this legislation.

Of course, I am not a member of the Ways and Means Committee. However, I do feel rather strongly about this bill that apparently is classified as an administration bill. I think when the ultimate vote comes, there will be a cross section and quite a change in the thinking of a number of our colleagues, and I do not think we will find any particular coalition supporting or opposing the legislation.

When this originally was proposed a number of months ago, I visited administration offices to try to analyze just exactly what was coming off. I bow to no one in my support of our President. I think he is a great man doing a great job, but I do not consider myself a rubber stamp.

In analyzing this program as it was originally introduced—and I would stress the word "originally"—it was pointed out, first, that our current welfare programs across this Nation are in a shambles, in chaos, they are in a terrible situation, and they should be eliminated. I would agree 100 percent.

It was pointed out further that the so-

called Nixon welfare program, that has had its name changed two or three times, changed to family assistance program and changed to workfare, or changed to anything to get away from the label of the guaranteed annual income, I would say no matter how we slice it, it is still that, guaranteed annual income.

The proposal is this, that it would not be another layer on our ADC, it would not be another layer on the food stamp program, that it would substitute for these. It would get rid of the ADC program and all problems connected with it, and the food stamp program also would be phased out.

It contained at that time work incentive provisions. I do not think there is anybody who opposes work incentive provisions. If we talk to the people across the country, if we feel their pulse, we will find the American people across this country are perfectly willing to help and assist those unable—and I underline unable—to help themselves, but there is a growing reluctance by the American people, the American taxpayer to be forced to support those unwilling to help themselves.

I look at the Members on both sides of the aisle and find that we talk about work incentives. What work incentive did Members have to get where they are and do what they were doing before they came to Congress? Most of us had the incentive that we like to eat, and most of us had the incentive that we wanted to support and educate and take care of our families to the best of our ability. That is sufficient incentive.

But the work incentives in this bill, when we get into "suitable" employment, create much concern among those of us who have misgivings about much that is in this bill.

After this matter was heard before the Committee on Ways and Means—and there were long hearings, though most of them were on social security, I admit—what happened? No longer does this substitute for the program. It does not substitute for the aid to dependent children. It does not substitute for the food stamp program. It is another layer upon them.

The sponsors of the bill say this: "Well, admittedly this will add from 12 million to perhaps 15 million additional people to the welfare rolls, but looking down the road 5 or 10 or 15 years this will be cheaper than the current welfare reform programs."

Assuming that this is correct—I doubt it very seriously, but assuming that this is correct—most of us will not be here to gain the benefits of this cheaper welfare program, because that far on down, if this welfare list goes up 12 to 15 million people higher than it is today, there will be between 12 and 15 percent of the people of the United States on welfare.

Is that not a great endorsement for this program?

It seems to me we are adopting a philosophy which is completely contrary and foreign to the basic American philosophy of the free enterprise system of rewarding incentive.

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

Mr. DEVINE. I would prefer not to yield at this time, but I yield.

Mr. HAYS. I want to get the question in now about the cost. Does the gentleman have any figures on the cost? I cannot get anybody to tell me that.

Mr. DEVINE. I would say to the gentleman from Ohio, so far as the cost is concerned, the estimated cost I have seen for the first year, trying to make a study of this program, is an additional $4.4 billion for the first year.

Mr. HAYS. I wonder if they are as far wrong on that as they were on medicare, on which they just estimated the cost exactly at 30 percent of what the real cost was. If that should be true, the $4 billion would be more like $14 billion, would it not?

Mr. DEVINE. It certainly would. I agree with the gentleman. I have the same misgivings about the estimated cost on this program. It probably would be much higher than anticipated.

Mr. HAYS. I thank the gentleman. That is the first time I have been able to get anybody to tell me what they are thinking about on the cost.

Mr. DEVINE. I would hope that the members of the Committee on Ways and Means, who have made a deep study of this, would come up with some accurate figures.

Another gentleman from Ohio, Mr. ASHBROOK, worked with the minority counsel of the Ways and Means Committee in an effort to come up with a legitimate and good faith cost on this. He gave an example of a family of four with a certain income, a certain amount of money each week. They worked at great length and were unable to come up with a figure that they could agree upon.

In talking about work incentives, I would invite attention to an article which appeared March 21, 1970, in the Scripps-Howard newspaper, talking about the work-incentive program. This particular release, under the name of Robert J. Havel, out of the Plain Dealer Bureau, Cleveland, with a Washington dateline, says:

> The U.S. Department of Labor considers Ohio's work-incentive program for welfare recipients a flop and is unlikely to provide any money for the program in fiscal 1971.
>
> This is the same program, conducted in 20 Ohio counties, which Gov. James A. Rhodes recently praised as helping to get people off the welfare rolls and onto payrolls.
>
> The national program, referred to as WIN, is designed primarily to train welfare mothers for such jobs as nurse's aides and clerks.

It goes on further:

> This is basically the same program as President Nixon's "work fare" in his new welfare plan, on which the House will act soon.

That is what we are talking about today.

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

Mr. DEVINE. I am happy to yield to the gentleman from Ohio.

Mr. BETTS. I should like to make one comment to the gentleman. He is one of my close friends. I do not like to contradict him, but I just want to make sure the statement he read is compared with the statement I read yesterday quoting Governor Rhodes, in which he praised the program in Ohio. He stated how many had been taken off the rolls, and that the WIN program had reduced the expense of welfare in Ohio over $200,000 a month.

I just wonder whether that is not as important a consideration as the statement of some Federal official as to how he looks at it.

Mr. DEVINE. What is important is I am merely quoting an article which appeared in the Cleveland Plain Dealer.

One of the things which concerns me further is the auction game we are getting into with this legislation. I do not know whether they call it a ceiling or a floor, but they are talking about a floor of $1,600. In the next election year it will be $2,000 or $2,500. Already some are talking about $5,000. Each year they will bid higher and higher. Where will it end, and will it get everybody on here?

The senior Senator from New York spoke in the other body yesterday. I would invite the attention of our colleagues to the RECORD for April 15, published today, page 11790, in which he says:

> I shall propose an amendment exempting mothers of school-age children and other relatives who care for such children from the work and training requirements of the bill.

Then in another part he says:

> As I request cosponsorship for this amendment in the coming days, I hope that many of the Members of the Senate will join with me, whether or not they support the family assistance plan, to indicate their strong opposition to the inclusion of any such work requirement in the crucial welfare-reform legislation which will be acted upon by the Congress this year.

So if and when this matter leaves here and goes to the other body, I do not believe you will recognize it. The floor will become the ceiling and the ceiling will become the floor, and the $1,600 figure will be in the area of $5,000 or $6,000. We will be in a category where I am reminded of the old farmer when he was talking about helping people. He said, "You know, if everybody climbs in the wagon, who is going to pull it?" If we get over 10 or 12 percent of the population on welfare, do you think the rest of us will be able to pick up the load? It is a dangerous step and I think the House ought to defeat this legislation. I am opposed to it, and will vote against it, and I am convinced the Nation will regret the day this philosophy was adopted, if the House does indeed, pass this unworkable legislation.

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

Mr. FULTON of Tennessee. Mr. Chairman, I yield 5 minutes to a member of the committee, the gentleman from California (Mr. CORMAN).

Mr. CORMAN. Mr. Chairman, I rise in support of H.R. 16311, the Family Assistance Act.

Our chairman, the gentleman from Arkansas (Mr. MILLS), has explained in great detail the reforms which this bill will bring about. I would like to underline three which are of particular importance.

First, it is the work incentive provision. This bill will require recipients who have the ability to work to register for training and employment as a condition to receiving benefits. I would not overstate the importance of this provision because I am convinced that almost every American wants to work, and the mandatory nature of this provision is not going to significantly change that situation.

Another incentive has to do with that portion of one's earned income which a recipient will be permitted to keep. Under the present program, a mother who goes to work may be in danger of losing her assistance payment. While at work, she has the additional disadvantage of not knowing how her children are faring without her. The reform bill will assure that her children are being cared for while she is at work, and will permit her to keep a reasonable share of her earnings, in addition to her assistance payment.

The second and certainly the most important part of this bill, as far as the State of California is concerned, is that a substantial increase in the share of welfare costs will be borne by the Federal Government. For California, this will amount to about $200 million in the first full year of the implementation of the act, assuming that the State will take advantage of the Federal Government's offer to administer the program. It would then be possible for the State government to assume the balance of California's welfare costs, thereby completely relieving the counties in the State of this financial burden.

Such a step would permit welfare costs to be shifted to the broader State and Federal tax base, leaving the local tax base free to bear the cost of educational and other municipal requirements.

The third important reform is the establishment of a Federal minimum payment. Let us take a look at this Federal minimum. Is it really dangerously high? For a family of four without income, the minimum is $2,400 a year; $1,600 in cash and $800 in food stamps. Now, it just happens that I support a family of four and it also happens that my take-home pay is approximately $2,400 a month. I assume each of us is generally in that same category. If you would like to know the adequacy of this minimum payment, take next month's paycheck home to your wife and tell her she must support your family on it for a year. I believe she will convince you that it is not excessive.

I have been surprised to hear some of my colleagues worry about the willingness of Americans to work if we remove the incentive of hunger. I cannot accept the proposition that a man works only if and when he is hungry. The fact of the matter is that the state of hunger undoubtedly diminishes one's mental and physical capacity to work. I believe that Americans are inspired to seek work for many more reasons than just the need of food. I think that we have come a long way from that rather primitive notion of why people work.

Finally, a number of Members have been critical of the Ways and Means Committee because we cannot tell the exact amount of the cost of this program. I would have to say to you that if you can tell me how many people in the Nation will be unemployed in the next year, and the next, and the next, then I can give you a reasonably accurate figure as to the cost of this program. For instance, if we have full employment—if everyone who has the ability has the opportunity for a job—then the cost of the program will be relatively low. And, we will then be taking care only of the aged, the blind, the physically disabled, and orphaned children whose parents are dead or in prison or for some other reason are not capable of taking care of them. But, if the present trend continues and unemployment increases and we find millions of Americans willing and eager to work but unable to find jobs, then the cost of this program will be substantial.

We do not report to you that this bill will solve the Nation's economic ills. We do say that it will, in a modest way, provide some decent living standard for those who because of economic circumstances find themselves in dire straits.

Let us look at the alternatives. What happened after 1929? Americans, unable to work, stood in soup lines. Children begged or stole for food. Families were made homeless because they were unable to continue payments on their homes or were unable to pay rent. This country is not going back to those conditions and practices.

There are lots of things that need to be done in this country. We need more and better schools; more and better medical care. We need to end pollution of our streams and air. Programs such as these—and many more like them—create jobs, and jobs cut down the cost of welfare.

But, we are not authorizing such programs in this bill. All we are saying in this bill is that if there are jobs, then needy people who qualify under the bill's provisions, must be trained for jobs and required to take them. If they have the physical and mental ability to do that, then out of the generosity of the American people, they will be given enough to keep body and soul together. If jobs are not available, neither will they have to starve or steal.

I urge my colleagues to support H.R. 16311.

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

Mr. CORMAN. I yield to the gentleman.

Mr. KAZEN. I agree with some of the things which the gentleman from California has said.

Mr. CORMAN. I hope the gentleman, then, will support the bill.

Mr. KAZEN. However, the point is, with reference to this bill, that it is not going to create jobs. I come from an area where there is a great degree of unemployment. The gentleman talks about a 4- or 5-percent unemployment rate. I have an 11-percent unemployment rate in some parts of my district. The reason for that is the fact that there are no jobs available. We have trained people for all kinds of work under the various programs that now exist but when all of the training was over, they did not have a job at which to work.

What in the world are we going to do with that problem?

Mr. CORMAN. There is provision in this bill for public works projects where we can federally fund certain projects in areas such as one which the gentleman has described, on the condition that the program in that area will enable some of these people to become ultimately employed in the private sector. It is in a sense a small WPA. True, it is only a short term answer, but again we cannot take care of all the economic ills of the Nation in any welfare assistance bill. This must be taken care of under the private enterprise system and other fiscal decisions which we must make.

Mr. KAZEN. Mr. Chairman, if the gentleman will yield further, the thing that worries at least this gentleman is the fact that here we are discussing guaranteeing a minimum annual income while I think what we ought to direct ourselves to is a more pressing need—that of guaranteeing a job for those able to work before we guarantee any income minimums.

Mr. CORMAN. I will say to the gentleman that there is a legitimate case which can be made for the Federal Government becoming an employer of last resort. However, I have some misgivings about that, but if unemployment continues to rise, we may find it necessary.

Mr. BETTS. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois (Mr. COLLIER).

Mr. COLLIER. Mr. Chairman, over the past two decades, I can think of no single domestic program in this country which has been more consistently or bitterly criticized than the welfare system.

The criticism of our welfare system has come from a spectrum ranging from the man on the street to the legislative and executive leaders in the country.

The present system has been called deplorable, unfair, parasitic, and intolerable.

I have never refuted these criticisms because they properly describe the present welfare system, which is unfair and is deplorable and is intolerable. In fact, the present system breeds irresponsibility that feeds on itself.

I have also heard many of the ardent critics of the present welfare system say, "We ought to help people who are willing to help themselves," and I have heard them say, "We ought to help people help themselves." And I wholeheartedly agree.

But in listening to these same critics attack the legislation before us today, I find them strangely inconsistent.

I had hoped that there would be strong support to get rid of the present welfare system and replace it with one that conforms to the lipservice reform over the years.

Yet I do not find a single item of leg-

islation introduced by those who have attacked the present program and are making a career out of criticizing the one which is proposed in this legislation.

If the present welfare system is so deplorable and if the proposed legislation is unacceptable, it is only logical to ask why those who find themselves in this position have not done something about offering a constructive alternative.

Yet throughout the hearings on this bill, no one came forward with anything that resembled a replacement in the broad sense for the present obsolete program.

The attacks I have heard on the proposed legislation have not been directed to the concept or the principle of this legislation, but rather to fear based on conjecture that it will not be administered in accoradnce with our legislative intent. Well, now, let me tell you that no program, no matter how carefully devised, will be any more effective than the manner in which it is administered. This is certainly obvious under any conditions.

And I have heard such arguments against this bill in the last 2 days as would provide the attitudes of the courts as a reason to oppose this legislation. And, of course, I have been around here long enough to know that when arguments based on conjecture rather than fact fail to satisfy the need for any type of reform, you can always fall back on the "foot in the door" or the "camel's nose under the tent" approach—and this has not been overlooked by the opponents—yet I think we must understand that these cliches of foreboding really fail to address themselves to the real issue.

It is all right to agree that we have a problem—but when we do it seems to me that we ought to agree that there should be some solution.

I see no need at this point in the debate to belabor the excellent presentations of Chairman MILLS and the ranking minority member of the committee, JOHN BYRNES. But I would like to summarize my own position as concisely as my remaining time permits.

We can no longer accept and condone a welfare system that has failed miserably, a welfare system that has fostered disintegration of the family unit. We can no longer accept and condone a system which frequently makes it more attractive to go on the welfare rolls than to work. We can no longer tolerate a welfare system that is a failure and one which grows worse each day.

I am convinced that if there is any solution to the growing welfare problem in this country, and if there is any hope for helping the people in the lowest economic strata of our society, it lies in the approach embraced in this legislation. To suggest it does not is to suggest there is no hope. To suggest that those who are economically depressed fall into a singular category of people who are not and do not want to help themselves is to again say we must continue the present system in the hopeless fashion of increasing welfare costs year after year.

Well, I am neither naive nor am I a do-gooder. While I offer no one an insurance policy on the success of this program, I sincerely believe that on a long term basis it will cost the people of this country a great deal less in both dollars and human resources.

And permit me to remind every Member of this House, including those who are opposed to this bill, that we are providing a structure upon which improvements can be made through the process of revision and amendment. If it is necessary to provide more stringent enforcement of the work provisions, it is the responsibility of Congress to do so. And I happen to think the Congress will do so if we are able to integrate the work and training provisions with the welfare payments and correct the gross inequities in the existing program.

I urge every Member of this House to give welfare reform a chance. To do anything less is to accept the present program, with all of its present shortcomings, and its inevitable social doom.

Mr. FULTON of Tennessee. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. SCHEUER).

Mr. SCHEUER. Mr. Chairman, I would like to praise the chairman of the Committee on Ways and Means for his admirable leadership in preparing the forward-looking bill indeed, the precedent-shattering bill we are considering today—and for the excellent committee report on that bill.

In the report the committee regretted that many manpower programs in the past "often emphasized work at the expense of meaningful training that would lead to the family leaving the public assistance rolls."

Of course, that is a major goal of this bill—to enable people to acquire the education and job training to become employed, financially independent, and self-supporting.

Section 431 (c) (2) of H.R. 16311, evidently a suggestion how to rectify those mistakes, mentions the following services for the trainees in manpower training and employment programs: "counseling, testing, coaching, program orientation, institutional and on-the-job training, work experience, upgrading, job development, job placement and followup services required to assist in securing and retaining employment and opportunities for advancement."

Mr. Chairman, am I right in understanding these sections as endorsements of efforts to contribute to the broader adoption of new methods of structuring jobs and of providing career-ladder opportunities?

Mr. MILLS. Upgrading the skills of the working poor is an important part of the proposal, and it is a very important part.

Mr. SCHEUER. I thank the distinguished chairman.

Mr. Chairman, section 433 of H.R. 16311 states that the Secretary of Labor should try to "further the establishment of an integrated and comprehensive manpower training program involving all sectors of the economy and all levels of government" and to "make maximum use of existing manpower related programs and agencies."

Mr. Chairman, will the jobs encompassed under these programs include those designed to improve the social and economic conditions of the community by upgrading the quality of the public services in health, education, welfare, and public safety?

Mr. MILLS. Yes; I might say to the gentleman, if they are a part of an established training program.

Mr. SCHEUER. Mr. Chairman, the committee report for H.R. 16311 states:

> By requiring that the prime grantees demonstrate a capacity to work effectively with the manpower agency, the Committee believes that a greater degree of coordination of manpower and child care services can be achieved than has been the case in previous programs.

Would this improved coordination of manpower and child care services include the use of the children's parents as aides and for some of them—in time and after the proper training—as professionals at the child care centers?

Mr. MILLS. Yes; it is so intended.

Mr. SCHEUER. The distinguished chairman of the Ways and Means Committee, in my view, is to be congratulated for encouraging relief recipients to become economically independent. Recently the Washington Post had an article on the city welfare department's decision to cut off the welfare of an unwed welfare mother in her last semester of high school.

I assume that the distinguished chairman would favor helping a relief recipient to complete high school since, demonstrably, such education and high school degree is so necessary to help her get a good job and thus achieve financial independence for herself and her children. Would that be a fair statement of the intent of the House?

Mr. MILLS. The answer would depend upon the individual case. As I said earlier, this bill is not intended to support students primarily, but if a person is close to completing her education, it could be determined by the Employment Security Office that completing education is appropriate training.

Mr. SCHEUER. I very much appreciate the chairman's answer. I appreciate his candor in answering all of these questions. I wish to express my admiration for the great job the committee has done during untold months of hearings and in producing a bill and a committee report that in many respects is one of the most far-reaching, imaginative, and creative pieces of legislation we have considered in many years.

Mr. BETTS. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania (Mr. WILLIAMS).

Mr. WILLIAMS. Mr. Chairman, the proposed Family Assistance Act of 1970—H.R. 16311—would prove a dreadful hoax on the American people.

This so-called "family assistance program" would immediately add a minimum of $4.4 billion to Federal welfare costs, and would place additional millions of people on welfare rolls. The only welfare program that FAP would phase out would be aid to families with dependent children, on which the Federal Government now spends $2.1 billion per year.

Past experience has proved that whenever a new welfare program is created

for the purpose of solving a problem, that problem is only accentuated and its cost escalated. Be assured that FAP will be no exception.

The Federal share of FAP for each family would be based on an annual $500, each, for the first two members of a family, plus $300 for each additional family member with the States required to supplement the massive Federal payment.

Obviously, it would only be a matter of time until FAP-guaranteed payments would be increased in response to well-established pressures by self-seeking officials, liberal social theorists, and hard core professional welfarists.

A major FAP weakness would be in the fact that eight types of income would be excluded from consideration before FAP payments would be determined. Since each family's payments would have to be determined individually in accordance with income earned, a virtual army of investigators and accountants would be needed for this operation alone.

FAP would require recipients to register for suitable training or employment. But FAP would conveniently exclude five classes of people from that same registration. Further, it would provide no spelling out the definition of precisely what "suitable" training or employment would really be. Nor would FAP spell out any procedure that might be applied to those who accept jobs but purposefully fail to perform properly in order to be fired and return to welfare.

FAP would provide for recovery of any funds fraudulently collected from the Federal Government, with enforcement resting with the Department of Justice. However, with the tens of thousands of fathers who have deserted their families, and with thousands of unenforced court orders already out on fathers in behalf of dependent children, it would require a doubling of the size of the Justice Department just to enforce FAP's recovery of fraudulent collection provision.

FAP would provide that a new agency be established within the Department of Health, Education, and Welfare to administer FAP's provisions. This new agency would have to employ thousands of people and, in short order, could, in fact, easily result in doubling the present size of HEW, itself.

An abundant history makes it perfectly obvious that this so-called family assistance program would prove to be nothing more than just another gigantic giveaway which would further reward the indolent and the malcontent. This would be accomplished at the expense of those who work and support their families despite the evermore oppressive odds of high taxes borne, in great part, of too many "something for nothing" schemes.

I have also heard in this Chamber this afternoon that the State of Massachusetts is using approximately 25 percent of its budget for welfare purposes and that States and other localities need help. Let me tell the Members something. We can go from one section of this country to another, and we would have to look hard to find any State in as poor financial condition as our Federal Government.

Next year alone we are going to have to refinance over $100 billion in Federal obligations that are going to mature, and we are not prepared to pay off one penny of that $100 billion in Federal obligations that are going to mature during fiscal year 1971, which starts July 1, 1970. We are going to be fortunate to be able to refinance this $100 billion in maturing obligations at interest rates as low as 8 percent.

We have reached a point where every 3 years and 8 months we have to refinance our entire national debt, and if we have to refinance our entire national debt of over $360 billion at 8 percent, that is going to be a $30 billion a year annual payment on interest alone.

This will mean on welfare and interest on the national debt we are going to be spending far more than 25 percent of our budget, so as it turns out the States are in much, much better condition than our Federal Government.

Relief of human misery, easement of the pains of recovery, and assurance of equitable opportunity fall in one category—but to elevate and lock in professional welfarism as a part of the so-called American way of life falls into quite another category which the people of this Nation simply could not afford and would not long knowingly tolerate.

Mr. BETTS. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan (Mr. CHAMBERLAIN).

Mr. CHAMBERLAIN. Mr. Chairman, I rise in support of H.R. 16311, a bill providing comprehensive changes in our Federal, State, and local welfare program. Everyone who has studied the present program agrees on one salient fact: that it is deficient in almost every respect.

Our present program has grown dramatically in recent years, both in terms of the individuals covered and total dollar costs. Between 1961 and 1970, the number of families and individual recipients more than doubled—to a total of 1.8 million families and 7 million individuals. During this same period total costs have nearly doubled to the present total of $4.2 billion.

This runaway pattern is expected to continue into the future unless fundamental reforms are made, with the number of recipients nearly doubling again by 1975 and the total costs more than doubling. The immense burden that this program imposes on taxpayers at all levels of government demands that we address ourselves to this chaotic situation rather than turning our heads to look the other way and hope the problem will go away.

The present program discourages work and self-sufficiency by providing a "guaranteed annual income" to individuals who qualify for welfare virtually without regard to their own efforts. In many cases individuals are financially better off on welfare than they are working. By discriminating against the working poor, the present program not only encourages idleness but provides a strong incentive for family disintegration. Only by leaving home can a working poor father qualify his family for benefits under the aid to families with dependent children program.

The bill before the House today will go a long way toward correcting these defects. Instead of an incentive for idleness, the bill will insure that individuals will always be better off if they are working. Rather than providing a "guaranteed annual income" regardless of an individual's efforts, assistance will be contingent on an individual making every effort to become self-sufficient through work, training, and employment. The incentive for family breakup under present law will be substantially diminished and in many cases eliminated by proving coverage for the working poor.

The emphasis in this new program is to help people care for themselves by developing their potential. This will, of course, cost additional money in the first few years, but it must be remembered that this is a long-range program and given time it is our hope that it will be less expensive—both in human and in dollar costs.

I would like to take this occasion to point out that the bill does create one very serious inequity for working people who will not receive benefits under this bill that, in my opinion, we cannot ignore. One of the reforms in this bill provides day care for small children in order to enable adults who would normally care for them to receive training and employment so that they may become self-sufficient. The Department of Health, Education, and Welfare intends to request $386 million for child care purposes for the first full year of operation. It is estimated that this will provide care for 300,000 school age children at an estimated cost of $400 per child, and for 150,000 preschool children at an estimated cost of $1,600 per child. These day care provisions of the bill are essential to enable individuals to move from the welfare rolls to the employment rolls, and I support them.

However, as we face up to the actual costs of child care we find that the amounts involved are much more generous than the deductions we now allow under the Internal Revenue Code for nonwelfare taxpayers who have to pay for child care themselves in order to be available to work. The Internal Revenue Code provides a child care deduction of $600 where one child is involved, and $900 where two children are involved. In addition, under the law this allowance is reduced by $1 for every dollar that the parents' income exceeds $6,000. This means that the child care deduction is eliminated when income reaches $6,600 in the case of one child and $6,900 in the case of two children.

Thus, in New Jersey, under the new bill, a welfare mother with two preschool children and one school age child, would be entitled to child care benefits approximating $3,600, as long as her income from earnings and public assistance does not exceed $6,547—the Secretary has discretion to continue paying child care expenses at even higher income levels for a period of time. Yet a working couple with three children of similar age earning $6,457 would be entitled to a child care deduction of only $343. Assuming the couple is in the 15 percent income tax bracket, this deduc-

tion would provide a net benefit of only $51.45. And if the couple should increase their income to $6,900, they would not be entitled to any deduction.

Mr. Chairman, we cannot ask the working couple to pay taxes to support not only public assistance recipients, but to provide them with child care allowances far in excess of the meager income tax deduction taxpayers are allowed. This is wrong. Current allowable deductions for child care are unrealistic. Equity requires that the child care deduction in our income tax law be liberalized to provide benefits commensurate with the current cost of child care.

In order to accomplish this, I have joined in introducing legislation that would increase the deduction for child care expenses to $1,200 in the case of one child, and to $2,400 where two or more children are involved. The legislation would also repeal the provisions of present law that phase out the deduction when the taxpayer's income exceeds $6,000. This would recognize that child care expenses that are incurred to enable a taxpayer to work, are expenses sufficiently related to the taxpayer's job to justify deduction as a business expense.

In my judgment this is a matter of high priority. In the bill we are considering today we are trying to provide incentives and opportunities for people to get off the welfare roles. In doing so we should not ignore the effort of those who have managed by one means or another to take care of themselves. We should not create or condone a dual cost approach to child care by recognizing the actual cost of this service for welfare recipients and something less than the actual cost for those who have had the initiative to get a job to help take care of themselves. How in good conscience, I ask, can we deny these working parents a realistic deduction and then use their tax money, in part, to give a benefit unavailable to them to others?

The Committee on Ways and Means is aware of this gross inequity, and I feel the members are disposed to see that it is corrected. It is my hope that our chairman will make certain that this matter receives early consideration to the end that remedial legislation may be enacted.

Mr. Chairman, I am sure that the matter which I have just discussed is not the only problem area that will be discovered as this reform measure is implemented. I well realize that the family assistance plan is not without its critics for I, too, have reservations. However, as we have worked on this bill—week after week—month after month—I have been impressed with the fact that no one seems to have a better plan to suggest. Nor have I heard anyone offer any strong defense of the present system. While I am well aware that we cannot solve our complex welfare problems by any legislative magic, I am satisfied that society's greatest hope lies in a new philosophical approach to our aggravated welfare problems . . . one which encourages work and neither stifles nor destroys individual initiative. It is for this reason, and with this hope, that I support H.R. 16311.

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

Mr. CHAMBERLAIN. I am glad to yield to the gentleman from Pennsylvania.

Mr. WILLIAMS. I would like to call to the attention of the distinguished gentleman from Michigan that in more than half of the States the father does not have to leave the household in order for the family to receive aid under the program of aid to dependent children.

However, I do want to agree with the point which has been made by the gentleman that the AFDC program is a totally insufficient program. It is inadequate and doing nothing but accentuate the problem.

Mr. CHAMBERLAIN. I believe everyone agrees with the gentleman's statement.

Mr. WILLIAMS. I would like to say to the gentleman from Michigan and to the gentleman from Illinois (Mr. COLLIER) and anyone else who is interested that I have worked on a substitute plan which I think I have fairly well refined now which would phase out AFDC over a period of time and which would produce much, much better results, while this phasing out is being accomplished.

I would welcome the opportunity to talk to the gentleman in his office at any time about this alternate plan.

Mr. CHAMBERLAIN. I would say to my colleague that I am pleased to hear this. I feel it is unfortunate that we have not had the benefit of his suggestions at an earlier date in order that they could have been considered by the committee as this matter has been under review. I think anyone who has any constructive suggestion to help us out of the mess we are in right now should come forward. We would be glad to hear from anyone who has a better plan.

Mr. WILLIAMS. Reserve your decision because you may not agree with my plan.

Mr. BETTS. Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan (Mr. HUTCHINSON).

Mr. HUTCHINSON. Mr. Chairman, we are all agreed that the present ADC program is a mess and that it is now, or soon will be, completely out of hand. It must be replaced. The administration has proposed the bill now before us as a new approach—workfare instead of welfare, it is called. Many of us have great reservations about this particular approach, but some have been able to resolve those doubts in favor of the legislation, while others, and I am one of those, have found the doubts so great that in good conscience we cannot support it. I propose to state briefly, Mr. Chairman, those questions about the bill which have persuaded me that, much as a new approach to welfare is needed, this is not the answer. Indeed, Mr. Chairman, I doubt that the situation will be one whit improved but rather worsened by the enactment of this legislation.

The ADC program will be abolished by this bill, and that is all to the good, and a family assistance program instituted in its place. But the new program of family assistance does not change much the ADC program as it applies to fatherless homes. So long as there is a child under 6—and there most usually is a child under 6 in those homes—the mother need not register for employment or take work training in order to obtain the Federal benefit, and the State in which the family is living is required to supplement the Federal program up to the level of payments that family now receives from ADC. As to that family, therefore, the ADC program continues, in everything but name. And, Mr. Chairman, the vast majority of present ADC cases fall within the category of a family without a man in the house. To all intents and purposes, the proposal in this bill carries forward the present ADC program without change. Under the present program an ADC mother is encouraged to take work training and better her lot in life thereby—on a voluntary basis. This bill carries the same approach.

As to those cases where there is a man in the house, the bill requires him to register with the employment service, receive their counsel, take their training program, and accept a job they find for him. But the proferred employment must be suitable work. Now that term, "suitable work," has acquired a meaning in the law. It is a term well understood in unemployment compensation systems. It means that an unemployed individual need not take a job beneath his skills, but only such employment as he has regularly had in the past. It is argued that in the case of the newly trained individual without work experience this unemployment compensation meaning of suitable work will not apply. I anticipate that it will mean that if a man is trained for a particular skill, no other type of employment will be deemed suitable for him, even though there may be no need for such employment in his community. I expect that the term "suitable work" will have the same narrowing meaning in the requirement for employment within the family assistance program as it has had in unemployment compensation.

But if a newly trained individual is put to work within the scope of his new training, there is no compulsion upon him to do his best to keep the job. Suppose he quits, or is fired for cause. What then? Will his eligibility under the family assistance program continue?

And even if he refuses to work, the only economic penalty upon him is a loss of $300 in family assistance benefit to his family unit. Benefits to the other members of his family continue, and if he leaves home, his wife and children can comply with the ADC requirements, with their family benefits supplemented by State grants up to the level now provided.

I doubt this family assistance plan has enough economic inducement within it to achieve that goal of keeping families together.

Mr. Chairman, the legislation we now consider is intended to meet the problem, made infinitely worse by recent Supreme Court decisions outlining residency requirements for welfare assistance, which results from a variation of benefits among the States. Some, like

Michigan, have become a magnet to those people because of the generosity of their welfare payments. Some way must be found to level off the benefit structures between the States and to discourage the inmigration of welfare cases into some States where the benefits are generous—but so is the cost of living in those States high. The requirement in this bill that those States must supplement the Federal payments on ADC cases to their present levels means the inmigration of such cases will likely continue.

A fundamental change in this new approach is to embrace the working poor into the welfare system. I had hoped the solution to our welfare problems would be programs to reduce the dependence of people on welfare. This bill increases that dependence. True, it purports to contain inducements sufficient to persuade large numbers of people to lift themselves out of that dependence. The ambitious will be so encouraged. But for many if not most, I suspect they will not feel sure enough of themselves to want to completely separate themselves from the security of tax free welfare income, and the welfare system as we know it—but greatly expanded in costs and in numbers—will continue.

Much as I concur, Mr. Chairman, in the need for a complete change in our welfare system, I do not believe this legislation will accomplish it. This bill is not the answer we seek. I wish I knew the answer. I believe we must look further for it.

Mr. BETTS. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio (Mr. ASHBROOK).

Mr. PRICE of Texas. Mr. Chairman, will the gentleman yield?

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

Mr. PRICE of Texas. Mr. Chairman, I rise to announce that I cannot in good conscience support the proposed Family Assistance Act of 1970.

My opposition is based on three factors: The sentiment of the voters in the 18th District of Texas, my belief that welfare reform has been turned into a political football, and my deep-seated reservations about the act itself. I would like to discuss each of these factors in turn.

The opposition of the voters in the 18th Congressional District of Texas, to the proposed Family Assistance Act is overwhelming. The message has come to me through attitudinal surveys, congressional correspondence, and numerous discussions I have had on the issue with constituents. The message is loud and clear—vote "no" on the proposed welfare reforms. I agree with this message; in addition, as the Representative of the 18th District, I feel bound by the elected expression of the voters' views on this issue.

I also believe that the welfare reforms proposed by the President have been turned into a political football, and that the issue will be used in an attempt to discredit the President's good faith effort to reform the national welfare system. By way of explanation, in the normal case, the President proposes legislation to Congress. The legislation is then introduced and referred to an appropriate committee where substantial rewriting and redrafting is affected. The reason for this is clear. It is not possible for the President to anticipate in advance what each particular committee member must have in a bill before he can support it. Consequently, the President is forced to propose legislation to Congress which presents his programs in such a manner that an appropriate committee can have the opportunity to modify it to suit its preference; hopefully, without killing the President's basic proposals in the process.

This was not the case, however, with the proposed welfare reforms. The majority on the House Ways and Means Committee approved the bill almost as it was written by the President. They then went before the Rules Committee in an effort to insure that the bill would be debated under a rule not allowing for the submission of corrective amendments from the House floor.

This is most unusual. A President's proposals usually do not receive such uniform approval from a House committee. This is especially true when the President belongs to a different political party than does the majority of committee members. The majority Members are normally too jealous of their legislative prerogatives and too partisan to bend without challenge to the Presidential will.

The President's comprehensive tax reform program is an excellent example of the tendency to which I am referring. The President submitted his proposals to Congress last year, and by the time the House Ways and Means Committee got through rewriting the proposals, their original form was hardly recognizable.

I can think of one good reason why the President's welfare reform proposals were so uniformly approved by the Ways and Means Committee. The legitimate cause of welfare reform has become fatally involved with partisan politics, and liberal members of the majority party want to fabricate a campaign issue for the November elections. They have to make up campaign issues because the President by his actions has not handed them any. He is trying in the best fashion he knows how, to lead the country into a productive and peaceful decade. The other party knows this; but more importantly, the American people know it also. That is why the issue is being fabricated. It is a lame attempt to discredit the President. I will have no part of it.

In making his proposals to Congress, President Nixon made a good faith effort to interest Congress in addressing itself to the cancerous problem of welfare; unfortunately, House liberals seem more interested in partisan politics than meaningful reform.

Finally, I have some strong reservations about the merits of the Family Assistance Act as it is presently written. I think the present welfare system is cancerous because it benefits neither the welfare recipient, the taxpayer who supports the program, nor society in general which must continue to strive for progress despite the continued drag caused by the sizeable number of individuals who would rather take a Federal relief check than a job.

Our present welfare system has made it more profitable for some people to loaf than to work. In addition to the individual and family problems this directly creates, think for a minute what it does to the incentives of an individual who works a full work week and earns for his labors only a few dollars more than does the wastrel on relief.

This is just a bare bones description of the negative effects of the present system, effects we have heard more fully described in other speeches here in the House Chamber yesterday and today. For this reason, I will not dwell on the negative parts of the welfare system at any greater lengths, but will turn to a brief explanation of why I do not think the proposed Family Assistance Act solves the Nation's welfare problem.

The act proposes that the Federal Government finance minimum annual welfare payments of $500 for each of the first two members of a family and $300 for each additional member. This means that a family of four, the statistical average American family, would be entitled to $1,600. This amount would be supplemented by State payments so that no family would receive less under the act than it presently receives. Add to this the fact that welfare recipients will be able to obtain $16 worth of federally financed food stamps for every $10 they spend on the stamps, and it works out to an additional $800 or so in welfare benefits. We are really, then talking about $2,400 in guaranteed benefits for a family of four, which is nothing more, nothing less than a guaranteed annual income. Calling it an income maintenance floor does not change anything but the name by which it is referred to.

I am unalterably opposed to a guaranteed annual income system. I believe it would wreck our incentive system of production, the system that coupled with the free enterprise system, has brought the United States to the productive heights it has achieved today. People just would not work, if they could get paid for not working. This is not a blanket indictment, however, for some people would work anyway. But if people get something for nothing, it generally would erode their will to work and contribute to society.

Another objection I have to the proposed bill is that it would add about 15 million new individuals to the welfare rolls. In my mind, this would not solve our welfare problem, it would just increase it.

I also object to the $4.4 billion that the program will cost, and this is just for the first year of its operation. I do not believe that this program would be exempt from the bureaucratic pressures that accompany all other Federal efforts, pressures that turn small Federal programs into gigantic ones, and minimal Federal expenditures into excessive and wasteful ones. This is the very nature of the bureaucratic process. And this is one chief reason why I believe the Government should keep its activities to the bare irreducible minimum.

Moreover, I do not think that the Federal Government should even consider spending $4.4 billion on a new welfare program when this Nation is locked in a titanic struggle with inflation. Particularly when $2.1 billion will be allocated just to cover the welfare costs of the 15 million new welfare recipients that will be added by the act.

Finally, while public assistance certainly should be given the sick, the blind, the disabled, and the needy young, I do not think that public assistance should be given to the working poor. By including them and restructuring the welfare system along the lines of a guaranteed income approach, welfare is made more comfortable and respectable rather than less so. It gives it more of the color of an "inalienable right" rather than the true color of "temporary maintenance" as was originally envisioned by the architects of welfare.

I would think my colleagues could profit well by harking to the words of the father of the New Deal, President Franklin D. Roosevelt. He said in 1935:

> The Federal Government must and shall quit this business of relief—continued dependence upon relief induces a spiritual and moral disintegration, fundamentally destructive to the national fiber. To dole out relief in this way is to administer a narcotic, a subtle destroyer of the human spirit.

Mr. Chairman, I believe that the Family Assistant Act, despite all its rhetoric of workfare and job incentives, is basically a program giving people "something for nothing." In my view, this is the least effective way to help people help themselves.

Mr. ASHBROOK. Mr. Chairman, I am not going to take time in outlining what I feel are some of the problems involved in this legislation and some of the shortcomings but, rather, to raise some specific questions. My basic objections have already been summarized in the RECORD.

Having worked with this for better than a month in trying to reduce the written legislation into actual dollars-and-cents figures, I can guarantee you it is a very, very difficult thing to do. It is going to be contingent upon many different interpretations in the various States and in HEW.

Mr. Chairman, I think one of the basic weaknesses I see in the program is the argument that bringing the program to the Federal level will automatically straighten out all of the problems in the States. I think most of us find that argument just a little bit hollow. We are never completely sure that HEW intends to carry out even the stated intention of the Congress, let alone straighten out the problem.

However, Mr. Chairman, I would like to raise several specific questions and I would ask the able chairman of the Committee on Ways and Means, the gentleman from Arkansas (Mr. MILLS), for the purpose of legislative history several questions.

On page 33 of the committee report there is language which I think will be most difficult to interpret. In the middle of the page it says:

> It is not intended by your committee that these programs should provide assistance which would be supportive of firms or industries which have high rates of turnover of labor because of low wages, seasonality or other factors.

I would ask the able chairman whether or not he has some concern in the administration of this program, and the regulations that will carry it out, whether or not this in effect would not in the future likely remove the tendency for employment security offices to refer potential workers in so-called work incentive programs to what might be called marginal industries. These would include hotels, motels, laundries and restaurants which traditionally have been low-wage industries. Does the gentleman see any danger in putting language such as this in the bill? Would its effect be to make it unlikely to refer people to such low-income industries?

Mr. MILLS. If the gentleman will yield, yes, I would not deny that there is some problem. What we are trying to do in the report, as I am sure the gentleman in the well knows, is to give some clarity or better guideline to the Department of Labor in the establishment of regulations as to the feeling of the committee, at least, about these matters.

We do not want these people to be working in just seasonal jobs if we can find for them annual jobs. We do not want to put them into all of these low-paying jobs, because we think some of them as a result of training, particularly those that have as much as a high school education, can be trained for better paying jobs.

Mr. ASHBROOK. But will the gentleman agree that while it is the legislative intent to encourage getting these people the best jobs possible——

Mr. MILLS. That is right.

Mr. ASHBROOK. That it could very well give some future bureaucrat from the Department of HEW or Labor the option of saying "Wait, we are not going to send these people to the lower paying industries such as restaurants, laundries, motels, and hotels"?

Mr. MILLS. No. That is not intended.

Mr. ASHBROOK. Because these are, in the language of the committee, low-wage industries?

Mr. MILLS. No.

Mr. ASHBROOK. Everybody knows they are low-wage industries, but they might possibly form the only jobs available to them.

Mr. MILLS. If they were full-time jobs they might conform.

Mr. ASHBROOK. So it is not the intention of the committee to rule out what might be called future employment in the low-wage industries?

Mr. MILLS. We are not overlooking the fact that some people may be assigned to low-wage jobs, and they may not be all assigned to a full-time annual job in the very beginning.

Some of them may have to take some seasonal jobs to begin with, but we hope the bulk of them will not.

Mr. BYRNES of Wisconsin. I think since we might be trying to make a little legislative history, I think first of all we do not rule out any job.

Mr. MILLS. No. No; we do not.

Mr. BYRNES of Wisconsin. It is not our intention to exclude any jobs because the whole thrust and purpose of this bill is to get people into a posture to help themselves. We want to make the job basically compatible for that individual, but there is nothing in the bill that says they can hold out for a high skilled job when there is a lower skilled opportunity available right now.

Mr. MILLS. That is correct.

Mr. ASHBROOK. I think the gentleman is correct. I certainly agree with the concept and the desire, it is obvious that everybody would like to be in high paid employment, but I think some of us have fears that in the social climate in which we live, and possibly because of bureaucratic regulations, there is a strong likelihood that people will not be referred to jobs of this type simply because they are at the lower rung of the economic ladder.

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

Mr. ASHBROOK. I yield to the gentleman.

Mr. BYRNES of Wisconsin. That is one of the reasons we went into detail on some of these criteria. We wanted to make sure that the Secretary could substitute his own subjective judgment for the intent of the committee and the Congress.

If this person had very little work experience or no work experience, then of course he is going to have to take a lower paying job. He is going to have to take a lower job consistent with his background. In other words, we do not rule out any jobs. He has to recognize that while maybe the job that is open is not a particularly desirable job, the person who has not had that work or experience, can fill that job and acquire work experience and discipline that will enable himself to qualify for a better job in the future.

Mr. ASHBROOK. I think the gentleman is certainly optimistic in his outlook. Having had a little more experience with HEW guidelines and Department of Labor guidelines, I would have to observe somewhat facetiously—I am afraid not as facetiously as it might seem—that I will sit back and wait for the very first person who is denied his family assistance because he refused to accept one of these lower rung jobs. If that time comes, I will frankly tell you that you are right and I am wrong—but I am not going to hold my breath until that happens, I will tell the gentleman.

Mr. BYRNES of Wisconsin. Let me say for the record that there is an additional aspect of this that we had better recognize and that the Secretary of Labor should recognize—and I think he does. The entire work incentive program has two purposes. One is the betterment of the individual. But also there will be reduction in the cost of the program that will enable us to keep it within bounds when individuals work. We cannot continue the present program because it does not encourage people to go to work at all. That is why the costs are running

up as much as they are. The Secretary has a definite obligation under this bill, not only as to the welfare of these individuals, but also to the Treasury of the United States to see that these people get to work.

Mr. ASHBROOK. I thank the gentleman for that, and I appreciate the gentleman making that legislative history.

I have one last question which I would direct to the distinguished chairman or the ranking minority member.

Again, consider one of the premises that I happen to believe is a little weak in argument—although I think what the gentleman from Arkansas and the gentleman from Wisconsin are saying is accurate in concept.

Most of us worry about how it is going to work out in its actual implementation. One of the things I think is fairly weak in its premise is adding anywhere from 11 to 13 million on what might be called the welfare rolls on the theory that the program will work and they will work themselves off the welfare rolls. Another faulty premise is that the program in the long run will cost less.

I would like to ask one specific question as to whether or not either the gentleman from Arkansas or the gentleman from Wisconsin, either one, do not have some misgivings on these premises.

Does the gentleman honestly feel that over a reasonable period of time these people, the 11 or 12 million people being added, will in fact work themselves off the rolls?

I think it is clear that there is not a strong work incentive in this legislation. Anybody who has any doubt can look at pages 11875–11876 of the RECORD of yesterday. If there is not a strong built-in work incentive, can we honestly build such a superstructure on the theory that they will work themselves off the rolls and the coverage of this bill over a period of time?

Will the gentleman respond to that?

Mr. MILLS. Yes; I will be glad to.

No one, may I say to the gentleman, on the Committee on Ways and Means or anywhere in the Government can tell you with any degree of precision that we will work all of these people into better paying jobs or will work them all off of welfare.

There are two reasons, in my opinion, why we are justified in offering the working poor this incentive to take training. Those we are talking of largely are full-time employees which means they are working 40 hours or more than 30 hours a week. They apparently are not making enough to provide the income for their family sufficiently to provide them with these basic necessities of life.

There is the danger first that they may find out that their welfare program, in the State of Ohio or the State of New York or elsewhere, will pay them more money and give them more take-home pay than they can make while earning on a job.

If that is the threat, why do we not offer them this supplemental income while they are working full time in return for their taking training? In theory, it is good. I have said all the way through the success of the program depends entirely, in my opinion, on the attention that is given these individuals on an individual basis by the employment security agencies of all of our States, but I would not want to tell you that, I could assure you. I do not believe anybody would say that. But this is legislatively an improvement, I think, in every way.

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

Mr. MILLS. Mr. Chairman, I yield to the gentleman from Louisiana (Mr. WAGGONNER) such time as he desires.

Mr. WAGGONNER. Mr. Chairman, my August 1966 newsletter was titled, "Full Scale Socialism for All Advocated in Advisory Council Recommendation." The opening lines of that newsletter were these:

> In a 148-page report the like of which no Socialist dreamer ever dared propose seriously before, a Committee of "Great Society" planners has recommended to the Secretary of Health, Education and Welfare that a program should be undertaken immediately to provide every man, woman and child in the United States a guaranteed annual income.

In August of 1966, this was only a recommendation to the Johnson administration. Less than 4 years later, today, we find this is a proposal by the Nixon administration. This dream of every Socialist of having the Government guarantee him an income is wrapped up in the bill we are now considering.

As was to be expected, the minute this guaranteed annual income feature was unveiled last year, the bandwagon started to roll. The predictable gaggle of liberals, leftists, and radicals were, at first, astounded that a supposedly conservative Republican administration was proposing national welfarism in a greater magnitude than even the most liberal Democrat in the history of the Nation. They regained their composure quickly, if not their intelligence, and began an outpouring of statements, position papers and conferences calling for increases that stagger the imagination and would empty the pocketbooks of the working public. No sum, it seems, is too much to take from the pockets of the taxpayers and dole out to those unwilling to work. I used the word "unwilling" only after making a careful choice among many words, because anyone willing to work today, except for the lame, the halt and the blind, can find a job by simply picking up a newspaper and reading the begging help wanted ads.

The proposal before us calls for a cash donation of $1,600 per year to every family of four in the United States whose income is under that figure, or whatever it takes to reach that sum plus an additional $860 in food stamps, for a total of $2,460, all of which is, of course, tax free. And it must be remembered that this is only the beginning. Each year, the demand from the welfare receivers and their liberal representatives in and out of the Congress will be irresistible. The figures will climb with the regularity of the sun in the sky.

This was made crystal clear by Mr. R. E. Patricelli, Deputy Assistant Secretary of Health, Education, and Welfare, when he addressed a meeting of Catholic Charities of the Archdiocese of New York late last year. He said:

> When the budgetary situation improves, we might look toward increases in the federal base payment.

He also stated that the program "should be made universal," meaning that childless couples and single persons should also be included in the future.

No one believes more than I that the present welfare system needs a massive overhaul. I agree with the President when he says it is a failure. It has robbed a significant portion of the population of their will or interest in providing for themselves; it has made them wards of the state. But what is needed is not an overhaul which more than doubles the number now on the rolls as this proposal would—not an overhaul which adds another $4½ billion to the already staggering burden of welfare costs as this proposal would.

In the past 10 years, the number of people receiving some form of relief assistance has increased 52 percent and the cost of these programs has advanced 211 percent. All of this in only 10 years. It is now estimated that the Federal, State, and local costs exceed $72 billion per year.

And, needless to add, each of these $72 billion comes out of the pocket of the taxpayers who work for their livelihood.

Third- and fourth-generation families are now appearing on the welfare rolls, demanding higher and higher payments and less and less supervision of what they use the money for or whether or not they are even eligible for the payments. Welfare is, many now claim, their "constitutional right," an attitude which has been upheld more than once recently by various courts. The traditional concept of welfare as temporary assistance for those who are in need because of reasons beyond their control, no longer exists.

In an effort to soft-pedal the full, socialist impact of this proposal, the Nixon administration is attempting to sell it as a "work fare" proposal. If it were this, it would be more acceptable, but an examination of the facts reveals that the work requirements are almost nonexistent and those that do exist are unenforceable.

There are presently 9,600,000 persons now on welfare. Of these, exactly half are children; 1,500,000 are their mothers; 2,000,000 are aged; 728,000 are disabled; and 80,000 are blind. All of these would be exempt from work under exemptions provided by the Nixon proposal. This leaves 500,000—or one-nineteenth—who would be eligible for work. But, even then, there is another catch. These 500,000 would be required to accept only those jobs which are, in the opinion of the Secretary of Labor, "suitable." Would he, some future Secretary or some liberal adviser or employment security official consider a job as a dishwasher "suitable"? Or as a janitor, a lawncutter, maid, busboy, window cleaner or any of the other such manual labor jobs which the

unemployed says are "demeaning"? I frankly doubt it.

This program, like many Federal programs, is offered up as the total answer to all the problems of the poor. Yet I cannot help but recall that, a few short years ago, the so-called poverty program was sold to the Congress and the people as being the one sure way of ending poverty and welfare in this Nation forever. Countless billions of wasted dollars later, the program is in a shambles, having done little for the poor but a great deal for the manipulators of the poor and the leeches who feed off the misery of others. Other impractical, visionary programs have likewise failed to live up to their publicity.

This proposal, in the jubilant words of liberal-leftist James Reston, "proposes more welfare, more people on public assistance than has any other President in the history of the Republic." It goes far beyond the socialist's dream of providing for each according to his needs. This proposal provides where there is no need and does not require that need even be demonstrated.

There is a need in this country for a welfare program, honestly administered, to assist the needy who are needy for no fault of their own, for the aged, the lame, the halt, and the blind. This kind of program I have supported and will always support. There is a need also for a program of temporary assistance for the willing and able-bodied who cannot find jobs; a program that requires some form of public work in the interim to pay for their support by the public. But, in this time of unparalleled prosperity, of jobs crying for workers, of opportunities for all regardless of race, sex, creed, or color, there is no justification for turning this Nation into a socialist welfare state. What's wrong with a guaranteed annual income? Nothing, if you believe in socialism. Everything, if, like me, you believe in democracy and the free enterprise system.

A number of items have appeared in the press since this proposal was first unveiled that I would like to include here at the end of my remarks because it is vital to me that the record show that there was no doubt but that this Congress knew the road it was taking this country down when it enacted this legislation. It would be convenient, in years to come, for those who are going to vote for this bill to say they had no idea that it would develop into what it will be before many years go by. I want to close that escape route so that every man who votes for this proposal will have to admit that the facts were on the table but he chose to ignore them. These are the items I have in mind.

From the February 24, 1970, issue of National Review:

THE NIXON PLAN: COMPOUNDING THE WELFARE MESS

(By Henry Hazlitt)

Ironically, the professional staff of the House Ways and Means Committee, a group controlled by the Democrats, has criticized the Republican Nixon welfare program chiefly from a conservative point of view.

The staff analysis asserts that, by extending welfare to working families, "the government, in a sense, would be telling a working father that he is officially not capable of supporting his family at what the government believes is the necessary level. One possible reaction of some fathers may be to let the government take over the job of completing supporting his family." Another criticism is that when he looks at how the plan applies to his family, a father "may soon realize that the only way for him to increase his income is to have a larger family. . . ." A third criticism is that some families might buy goods to reduce their cash assets, "a color TV, for example." A fourth is that "government supplements to the wages of the working poor could create a subsidized pool of cheap labor to employers."

This report, however, no doubt inspired by Committee Chairman Wilbur D. Mills, by no means assures that the Democratic Congress will flatly reject the Nixon plan. More likely it will put together a welfare package that the Democrats can call their own, and outbid even the Nixon plan in total cost.

Because the President's proposal, which he first put forward on television on August 8, was couched entirely in the rhetoric of conservatism, many conservatives were misled, and it was weeks before the plan received effective criticism. By far the best analysis is the 23-page study put out by the American Conservative Union. Among the points it makes are these:

The new plan makes it more comfortable to be on welfare, both by eliminating any means test and by increasing benefits for many welfare clients while decreasing benefits for none.

Mr. Nixon proposes that the federal level be $1,600 for a family of four with no outside income. A family of ten would be eligible to receive an income of $3,400 a year from the Federal Government, with any state allowance in addition.

One great danger in federalizing welfare is the new opportunity it provides for manipulation by organized groups. Welfarists will be able to concentrate all their pressures directly on Washington. This very tactic has often been employed to force increases in Social Security benefits and minimum wage laws. Already the AFL–CIO and other pressure groups are attacking President Nixon's recommendation of $1,600 maximum annual payment to a family of four as totally inadequate. They demand no less than a full $3,500, the minimum federal poverty level income.

The program will more than double the number of welfare recipients, adding twelve million more to the nearly ten million already on the rolls.

It will cause an initial increase of $5 billion in the federal budget, and perhaps double that.

It was put forward as a "workfare" program. "Everyone," said Mr. Nixon, "who accepts benefits must accept work or training, provided suitable jobs are available. . . . The only exceptions would be those unable to work and mothers of pre-school children." But the ACU points out that after we deduct the blind, the disabled, the aged, the children and the mothers of pre-school children from the 9.6 million people now receiving aid, only about 500,000 or 5 percent, would be required to accept work or receive job training under the Nixon plan. Whether the work requirement could be enforced even for these is more than doubtful. Already the professional welfare advocates are charging that any work requirement would amount to "involuntary servitude."

The Administration itself has greatly expanded the program since it was announced. White House aides said at first that the Family Security plan would at least eliminate food stamps. A few months later they announced that food stamps would not only remain, but that the annual appropriation for them would be doubled. This means that each family of four would not receive a federally guaranteed annual income of $1,600 (not counting state payments) but an additional food stamp allotment bringing the total federally paid income to $2,380.

The Nixon plan is in fact a "guaranteed annual income." The President himself said on December 8: "All of us want the poor to have a minimum floor [under their income], and that floor to be as high as possible." In other words, a person who will not work has a "right" to live permanently off the earnings of another man who can and does.

To these cogent criticisms I would like to add one point that has been generally neglected. Mr. Nixon deplores the wide state-by-state variations in relief payments. He claims as an outstanding merit of his plan that it would provide, if not uniformity, at least a "basic national minimum payment" everywhere. But this overlooks the wide divergencies in prevailing income and living standards among the states. The 1960 census showed that the median money income of families in Connecticut was 138 per cent greater than of families in Mississippi—or inversely, that the median income of Mississippi families was only 42 per cent of that of Connecticut families, with other states diverging within this range.

This means that even a uniform minimum national income guarantee that might do relatively minor harm in California or the Northeast would be so high compared with prevailing earned incomes in the Deep South as to tempt a third or more of the population to quit their jobs and climb aboard the welfare wagon, or to draw supplemental handouts. This could put a tremendous strain on precisely the state budgets that could least afford it.

A uniform minimum national welfare handout, in a nation with divergencies of up to 138 per cent in median earned family incomes among the states, would create far more serious problems than any it might solve.

From the report, "Solution or Socialism," prepared by the American Conservative Union:

IN CONCLUSION

In any evaluation of the Nixon welfare proposals, conservatives must look beneath the rhetoric, to which they are eager to respond, and seek out the substantive purpose. Viewed in this light, the Nixon welfare reform can be seen simply as a program which will *more than double the welfare rolls,* and add 12 million new recipients of Federal welfare payments to the nearly 10 million already on the rolls.

The program will cause an initial increase of $5 billion in the Federal budget, half of which will go to direct payments to welfare families, old and new. This is a quantum jump in the number of welfare clients and in Federal spending on welfare.

Though conservatives were almost alone a few years ago as critics of the welfare system, today everyone—conservatives, liberals, radicals—can agree with President Nixon that "nowhere has the failure of government been more tragically apparent than in its efforts to aid the poor, and especially in the system of public welfare." When one gets down to the philosophy behind this statement the conservative differs markedly from the present day liberal or radical.

President Nixon is proposing not only to expand welfare, but also to establish it on a more legitimate footing by calling it "family assistance", eliminating the means test, and administering it through the Social Se-

curity Administration. Only the inclusion of a work requirement saves Nixon from advocating the complete liberal package—welfare as a right of any American.

The Nixon program, despite its doubtless sincere intentions, will in the long run greatly exacerbate the "welfare mess" for three basic reasons:

(1) It makes welfare more comfortable when it should be made less comfortable.

(2) By moving toward a guaranteed income, it makes welfare more respectable, more of a "right" when it should be made less respectable, less of a "right."

(3) It drastically increases the number of recipients, thus risking corrupting 12 million more American citizens, when desperate efforts ought to be made to decrease the number of persons receiving unearned checks from government.

In a 1935 message to Congress, President Franklin D. Roosevelt said: "The Federal government must and shall quit this business of relief—continued dependence upon relief induces a spiritual and moral disintegration, fundamentally destructive to the national fibre. To dole out relief in this way is to administer a narcotic, a subtle destroyer of the human spirit."

While subsequent history showed that FDR's fears were well-founded, few recall that even he had begun his "New Deal" with the good intention of getting the government out of the "business of relief." Today, few would doubt that President Nixon's intentions are the same—to get people off welfare.

Yet there is truth in a statement made by Secretary of Housing and Urban Development George Romney. In discussions about the welfare program with President Nixon, the Secretary recalls that he told the President, "You shouldn't just hand people things . . . the least effective way to help people is just to give them something." Whether this proposition is true or false is perhaps the most important question that the Congress will have to decide in acting on President Nixon's welfare proposals in 1970.

From the September 2 issue of the National Review Bulletin:

AT HOME

(By M. Stanton Evans)

Will the "new federalism" proclaimed by President Nixon in the field of social welfare cure the Nation's relief problems or make them worse?

The Nixon program starts from a commendable awareness that the present welfare system has failed, and it is apparent the President and his advisers have given a good deal of thought to the various components of that failure. In particular, they have focused closely on those aspects of the existing system which draw people out of the work force rather than into it, and break up families as a condition of relief payments.

Whether the affirmative part of the Nixon presentation will overcome these deficiencies, however, is another question. Although the stated intention is to transfer as many people as possible from the welfare rolls to positions of employment, the net effect of the "new federalism" as outlined by the President and his subordinates could easily be the reverse. As the Administration spokesmen acknowledge, everything depends on the effectiveness of various "work incentives" to be built into the program.

In its opening phases, the Nixon plan runs clearly counter to the "less relief" idea, since it would cause an estimated doubling of the number of people receiving assistance (from ten million to 22.4 million) and would almost double the cost (another $4 billion a year or so on top of the existing $5 billion). It is this development which causes liberal James Reston to rejoice that Nixon "proposes more welfare more people on public assistance . . . than any other President in the history of the republic."

The Nixon planners argue that the increase is only a short-term matter, that the upward relief cycle will be broken by the "work incentives." The success of the program therefore rests entirely on these provisions, which include stepladder payments whereby a portion of relief funds will be continued even if earned income is received, day-care centers to tend the children of welfare mothers who seek employment, and a requirement that able-bodied relief recipients accept offers of work or training, or else lose their benefits.

Examination of the data made available so far suggests these incentives may not be enough to overcome the contrary push of increased payments and broadened coverage. Once guaranteed payments of $1,600 a year for a family of four are voted by Congress, the pressures for increasing the floor levels will be enormous.

It is indicative, in fact, that major criticisms of the Nixon proposal from the liberal sector have centered on the charge that payment levels are not high enough—that the plan doesn't do anything financially for relief recipients in big-city areas who are already getting as much as or more than the "floor" Nixon is urging. Given the power and persistence of the spending lobbies in many localities, it is probable that a drive will be launched in the larger states to add the federal guarantee money to high-level state benefits, rather than substituting the federal funds for them.

This would create a fat schedule of benefits running strongly counter to the work incentive idea. Recipients who can get all or most of the existing payments in certain big-city states, *plus* some portion of the federal money, would have less reason to seek employment, not more. Such an arrangement would, of course, also maintain the discrepancy between state payment levels which the program is supposed to eliminate. As explained by Nixon spokesmen in recent press briefings, there would be nothing to prevent this from occurring. The official prospectus simply says "no state . . . is required to spend more than 90%" of its existing outlay in the covered categories.

Add to these considerations the fact that "family assistance" does not affect the existence of countless other welfare provisions apart from aid to dependent children, the aged, the blind and the disabled. The Nixon guarantee, rather than becoming a complete welfare substitute as envisioned by Prof. Milton Friedman, would be laid on top of a system containing countless subsidies and restrictions which serve to discourage employment. The documented effects of the minimum wage is pushing marginal workers out of jobs, and the obvious counterincentive of high unemployment payments, suggest the nature of this difficulty.

Granted that the stepladder provisions for aid to the working poor would eliminate at least one positive incentive to idleness, the absence of negative incentives against idleness would be even more noticeable than it is today. This potential problem is accentuated by the fact that. under the Nixon program, there will be only perfunctory efforts to guard against fraud. Eligibility will be determined by a simple declaration from the relief recipient, confirmed by occasional spot checks.

Finally, there is the question of the "work requirement" provision which would deny assistance to anyone who did not accept a job or training. Will Congress actually vote a tough requirement to this effect? And if it does, who is going to make the hard-nosed and possibly unjust decision that a given individual and his family be thrown out into the cold for refusing offered opportunities?

In short, the Nixon program would make it virtually certain that the number of people receiving relief payments in the relevant categories would be more than doubled. But whether it would subsequently succeed in moving these recipients into the active work force seems very uncertain indeed.

From the January 31, 1970, issue of Human Events:

FOOT-IN-THE-DOOR WELFARE PLAN

Just days before President Nixon was touting his No. 1 legislative priority—welfare reform—in his State of the Union message, a key Administration official revealed to a pro-welfare group in New York the truly revolutionary nature of the program. Moreover, this same official indicated it would not only be extremely costly to the taxpayer, but that its passage would probably be the first step toward an even greater outpouring of lavish welfare benefits—an outpouring that the Nixon Administration appears to actually welcome.

Though this official didn't exactly say so, the thrust of his remarks suggests the Nixon package is designed to clear the way for a complete federal takeover of welfare and the start of a guaranteed annual income for every person that falls below the upward spiraling "poverty line."

Speaking to a meeting of the Catholic Charities of the Archdiocese of New York, Robert E. Patricelli, deputy assistant secretary of health, education and welfare and the Administration's chief lobbyist for the measure, frankly acknowledged the mammoth size of the "reform" package.

"The total cost in *new* federal dollars of the proposal," he stated—and some think vastly understated—"is $4.4 billion per year, and the coverage under the Family Assistance portion of the program will be some 25 million people—up from the present 10 million recipients [emphasis ours]."

While the common conception is that the federal government will provide only $1,600 yearly to a family of four, Patricelli pointed out that to "that $1,600 base must also be added the expanded food stamp subsidies which the President has proposed and which the Administration has already moved to implement as much as possible by administrative action. Under that program, a family of four receiving $1,600 in Family Assistance benefits would also receive about $860 in food stamp subsidies for a total package of $2,460 in federal income maintenance payments" And all this, of course, is to be supplemented by state payments.

Yet, suggested Patricelli, this was just the beginning. "First and quite properly," he remarked, "our critics point out that the Family Assistance Plan is not universal in its coverage. It does not provide federal assistance to non-aged childless couples or single persons. But that omission in the plan traces not to any disagreement in principle with the need to cover such persons, but rather to the need to accommodate to what we hope will be short-term budgetary limitations.

"Within the $4.4 billion available, we chose to place our emphasis upon families with children, but there is no disagreement in principle that the system should be made universal when resources permit."

Second, said Patricelli, "critics point out that $1,600 for a family of four is far from adequate. That, too, is certainly the case and we have never suggested that the Family Assistance Plan provides a guaranteed *adequate* income. It does, however, when combined with food stamps, provide over two-thirds of the amount up to the poverty line. . . . Again, when and if the budgetary situation improves, we might look toward increases in the federal base payment."

Thus, even before the legislation is launched, Administration spokesmen are

selling the program to welfare pressure groups—those that can effectively lobby Congress—by stressing that the Nixon welfare package is just a foot-in-the-door proposal.

Contrary to initial impressions conveyed by the Nixon Administration, furthermore, the new welfare program is a giant leap away from the President's concept of a "New Federalism" that would return powers to the states. Patricelli himself thinks the welfare system "should ultimately be fully administered by the federal government and financed wholly or in major part by that level of government." Financial "incentives" in the Nixon proposal, in fact, would help "persuade" the state governments to turn over their own welfare programs to the federal Social Security Administration.

"This would be," said Patricelli, "to my knowledge, an unprecedented arrangement in federal-state relations—an upstream delegation by the states to the federal government for the administration of a wholly state-financed program."

Nor does this exhaust the astonishing aspects of this proposal. A central feature of the President's initiative that had a certain appeal to the public was the "workfare" formula requiring all able-bodied welfare recipients (excepting mothers of pre-school children) to accept either training or suitable jobs so they could work themselves off welfare.

Yet this ingredient is far less revolutionary than originally believed, for a similar "workfare" formula is continued in the current welfare program, the Aid to Families with Dependent Children (AFDC).

Under 1967 amendments to the Social Security Act, mothers in the AFDC program were to seek work training. The legislation provides that an attempt be made to find jobs for those who are employable and that those in need of training be trained and given $30 a month as incentive payment. Those who refuse to accept work or undertake training are to lose their welfare benefits. The legislation also provides 80 per cent federal matching funds for the cost of the work training program and day-care centers for pre-school children of mothers in training or on jobs.

Despite these supposed "workfare" provisions, however, the number of persons on AFDC has increased substantially and the federal contribution has soared more than $500 million. Patricelli himself told *Human Events* that these provisions "hadn't worked as well as anybody wanted them to work. . . ."

The Administration proposal, nevertheless, is deliberately designed to weaken the existing workfare formula. Many people, says Patricelli, have criticized the inclusion in the Nixon welfare plan of the "work requirement which they feel is regressive and punitive." In fact, says Patricelli, "President Nixon's work requirement does represent a significant liberalization of the similar requirement found in the present law, for it does exempt women with children under six from its operation, and it does require that jobs provided be 'suitable' under guidelines to be established by the secretary of labor."

As Patricelli suggests, then, the Nixon "workfare" proposal, under the guidance of a secretary of labor and a juggling of the word "suitable," will actually make it less compelling for a welfare recipient to take a job and more easy for him to take welfare than the current law provides—even though the current law has also failed to prevent the mushrooming of welfare rolls.

In short, President Nixon appears intent on fastening upon the nation and his party one of the costliest welfare programs ever devised. Thus, *Human Events* readers are advised to write their congressmen and tell them they are opposed to this "welfare reform" package. Do the Republicans, it should be asked, wish to be known as the "welfare" party, the party that added 15 million people to the relief rolls?

From the March 24, 1970, issue of National Review:

DEEPER AND DEEPER STILL

President Nixon's "Family Assistance Plan" has something for almost everyone: more money for those on welfare, larger welfare rolls and higher taxes for the nation, and trouble for the Republican Party. Little wonder that the liberals of the House Democratic Study Group have lined up behind the bill; little wonder that Democrat Wilbur Mills has suddenly decided that it is a fine thing, eminently deserving of his services as floor manager now that it has been approved by his Ways and Means Committee.

Time was when the Nixon welfare plan had, or seemed to have, something for conservatives as well. When the plan was unveiled last August, conservatives welcomed it—because it was Richard Nixon's and because it seemed to be a giant step toward dismantling the existing Charles Addams welfare edifice and replacing it with something sane, realistic and workable. But it soon became apparent that after all, all that was contemplated was the adding of yet another wing—and that (in liberal Hugh Scott's phrase) the conservatives were getting the rhetoric while the liberals got the action.

Conservatives were soon reminded of one of their own first principles: That government programs tend inevitably to grow in size and cost. On August 8, Nixon stated clearly that "for dependent families there will be an orderly substitution of food stamps by the new direct monetary payments." By August 19, a member of the Presidential staff with a vested interest in the continuation of the food stamp program was saying "both [food stamps *and* income supplements] are essential and will continue together for some time." Came the autumn, and food stamps were officially back in; came the 1971 budget, and the Administration was asking that the appropriation for them be doubled. Similarly, Nixon began by calling for a minimum $65 monthly payment to the blind, aged and disabled. When the bill embodying his welfare plan was drawn up, the minimum was found to have jumped to $90. By the time the bill cleared Ways and Means, the figure was $110.

Indeed, when stripped of rhetoric about "workfare" and "family assistance," the Nixon welfare plan emerges as an extension of the present non-system. Where ten million people now receive $5 billion annually in federal welfare payments, 25 million will receive at least $10 billion. And no one, liberal or conservative, will seriously contend that those antes will not be upped considerably in years to come. "Work incentives"? When the aged, the disabled and mothers of preschool children are subtracted from the ten million now on relief, about 500,000 able-bodied unemployed are left; work incentive and training programs aimed at those 500,000 have so far resulted in a mere handful working themselves off the relief rolls. Helping the "working poor" (fifteen million of whom will receive government checks if the Nixon plan becomes law)? But many poor people who have hitherto managed to support themselves will decide, once the checks start coming in, to let the government carry the whole load. Most important, the principle will have been established once and for all that welfare is a way of life, a permanent condition, rather than a temporary leg-up.

And so Democrats will support the welfare bill—liberal Democrats, because it continues, on an enlarged basis, the system they love so well; all Democrats, because Nixon's welfare plan can only damage his standing with the job-holding, taxpaying majority that elected him. So far, most Republicans are lining up obediently, because the bill is a Republican President's. National Review regretfully joins others in the conservative mainstream in urging the defeat of this welfare scheme—on grounds that its passage will be a victory that neither the President nor the nation can afford.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa (Mr. SCHERLE).

Mr. SCHERLE. Mr. Chairman, I favored an open rule on H.R. 16311 because I believe there are simply too many unanswered questions surrounding the Family Assistance Act of 1970.

My primary concern about the legislation is its workability. President Nixon last February told the National Governors Conference here in Washington that the family assistance program, and I quote here "has never been tried, not tried on a national basis. I cannot guarantee that the new family assistance program will work," he told the Governors.

As a matter of fact, a check by my office with the Department of Labor has revealed that there will be no pilot program on the family assistance program until August of this year when the entire State of Vermont will be used as a FAP guinea pig. In other words, Mr. Chairman, the passage of this sweeping welfare reform message was asked of Congress 1 year before a pilot study of the program was instituted to see if it would work. Thus, in effect, we are asked to hop aboard a plane which has never been flight-tested.

There has been a work incentive pilot program conducted in New Jersey to study the effect of Federal supplements on the so-called working poor. But this study did not address itself to the key question; that is, how many of those people receiving Federal payments in the New Jersey project ultimately worked themselves entirely off the welfare roll. I asked OEO, "Who paid for the study?" and was told that the data had not been computed and anyway it was "irrelevant."

Another note on work incentives. The White House recently sent out a booklet entitled "The Family Assistance Plan: Questions and Answers." In this publication, it was stated that FAP remedies the present WIN—work incentive—program in six ways. It then went on to enumerate the ways. I am a bit puzzled as to how anyone at this point knows what improvements to make on the present WIN program since an official government evaluation of the 1967 work incentive program is not due until July 1 of this year. Thus it seems that any program built upon a new, improved WIN program is on very shaky ground since we do not yet fully understand the inadequacies of the program which is being improved.

Two other areas which I believe require much more debate are the cost and the coverage of this program.

While we have been most solemnly assured that the "startup" costs of this program will be $4.4 billion, the record is replete with Government programs whose costs have skyrocketed out of sight. A few examples:

Medicare. A headline in the April 3, 1970, Wall Street Journal tells us: "Hospitals To Get Higher Payments Under Medicare." The story says that under heavy pressure from hospitals, the Social Security Administration has decided to liberalize its payments to hospitals and nursing homes to the tune of an extra $60 million for fiscal 1970.

If you will recall, in 1965 it was estimated that medicare's hospital insurance for the elderly would cost $3.1 billion in 1970. Latest estimates now that 1970 is here stand at about $5.8 billion. In 1946, old-age and survivors pensions under social security were forecast at $5 billion for 1970. Actual costs will be about $27 billion.

The Federal highway system. A Library of Congress study has shown that the first estimates of this program were reported in 1948 to be $11.3 billion. In 1956, when the means of financing the system were changed, the total cost was $37.6 billion. In 1968, the estimated total cost of the system was put at $56.5 billion. At the present time revised estimates for the total cost are being prepared once again.

The way welfare costs tend to grow has been written about most interestingly by Harvard professor of government, Edward C. Banfield, in a recent article in the publication the Public Interest. Professor Banfield noted:

> Those who decide about the funding of a welfare system naturally base their decisions on estimates of the number of persons who will be eligible and will apply for benefits under its terms. Characteristically they underestimate these numbers seriously. They fail to realize that the substantial increase of benefits may induce many people to take steps—often simple ones that do not constitute "chiseling" by any stretch of the imagination—to reduce their incomes enough to make themselves eligible. They tend to assume that the percentage of eligibles actually applying will be no greater in the future than in the past. As a result of these errors, the demand for welfare frequently exceeds the amount of funds available and a "crisis" exists. Obviously the "crisis" could eventually be met by increasing appropriations if benefit levels were not allowed to rise further. In practice, however, they are allowed to rise, perhaps at an even faster rate than appropriations, and so the "crisis" grows.

One need not belabor the point here. We are all familiar with the propensity of Government programs to grow.

Now, how many people will be added to the welfare rolls by FAP? Again there are doubts.

U.S. News & World Report, in an article on the family assistance program, quotes the White House estimate at 12.4 million—in addition to the 10.1 million now on the rolls—but says "other Government agencies have sharply different sets of figures."

Indeed, in a speech to a Catholic charity group in New York City, one of the brain trust behind the family assistance program indicated that the plan should be expanded as soon as the budget would allow.

Responding to criticism that FAP was not universal enough in its coverage, Assistant Secretary of Health, Education, and Welfare Robert Patricelli said, and I quote:

> Omission in the plan traces not to any disagreement in principle with the need to cover such persons (non-aged childless couples and single persons), but rather to the need to accommodate what we hope will be short-term budgetary limitations. . . . [T]here is no disagreement that the system should be made universal when resources permit.

Mr. Patricelli, in that same speech, also stated that when and if the budgetary situation improves, quote:

> We might look toward increases in the Federal base payment.

How much more universality is planned when the budgetary condition improves? How much will the base payment be increased? At this point, we do not know. But it should be investigated.

Another vital question on which we must have an unequivocal answer is: Does the family assistance program constitute a guaranteed annual income? Again, to quote from the White House pamphlet, we are told that it does not. But there are disturbing indications that it is at least a large step in that direction.

In a speech to the National Jewish Welfare Board, the spiritual mentor behind FAP, Dr. Daniel P. Moynihan, described the family assistance program, and I quote:

> Simply put, it is a proposal to place a floor under the income of every American family. Whether the family is working or not. United or not. Deserving or not.

The press has also described the program as a guaranteed annual income.

Knight newspaper reporter James K. Batten, in a story about FAP in the Buffalo Evening News, wrote:

> We seem to be on the brink of a guaranteed income for all families.

How could it happen under a Republican President? Batten explained:

> The main reason seems to be this: A President like Richard Nixon, whose conservative credentials are in good order, is able to bring off a radical reform more easily than a liberal President like Mr. Johnson. Conservative critics would have shrieked that Mr. Johnson, always a suspect liberal, had finally gone off the deep end with a wild, left-wing scheme guaranteeing handouts to everybody. But nobody can accuse Mr. Nixon of being a wild-eyed radical.

Syndicated columnist Roscoe Drummond, writing in the Christian Science Monitor, called FAP, quote, "a significant stride toward a guaranteed annual income."

The Chicago Tribune, which originally spoke favorably of the family assistance program, editorialized on March 30, quote:

> The "work incentive" element of President Nixon's welfare reform proposal was introduced as a sugar coating for the guaranteed annual income pill.

Another aspect of FAP which I think should be more fully discussed, Mr. Chairman, is how eligibility will be determined. As I understand it, spot checks will be conducted of recipients on a random basis much like the IRS checks taxpayers. I do not believe this is sufficient. Examples of high rates of welfare ineligibility abound:

A recent statewide audit of the California AFDC rolls revealed an ineligibility rate of some 15 percent, representing a loss of $59 million a year.

A 1969 GAO check of AFDC rolls in New York City showed 10.7 percent of the families ineligible and 34.1 percent receiving overpayments. The combination of these two amounted to about a $74 million loss yearly just in the city.

Mr. Chairman, there is currently a controversial little ditty making the rounds entitled "Welfare Cadillac." One of the verses goes something like this:

> But things are still gonna get better, at least that's what I understand.
> They tell me this new President has put in a whole new poverty plan.

Well, I for one, do not share the optimism of the songwriter that this whole new poverty plan is going to make things better. And it is for this reason that I again urge that the family assistance program be debated more fully and brought to the floor of the House of Representatives under an open rule.

WORKFARE OR WELFARE?

Practically no one has a kind word to say about the current welfare system. It is costly and complicated to administer demeaning to its recipients, and often ineffectual to help them.

President Nixon's decision to attempt a complete overhaul of the system was therefore greeted with approval in most quarters. Many people evinced considerable enthusiasm for the basic aims of the proposed reforms. The administration hopes: First, to eliminate much of the bureaucratic redtape connected with a multitude of separate assistance programs, replacing them with a single income payment, and second, to provide at the same time an incentive for the heads of welfare families to work. These are undeniably admirable goals. But the mechanics of their implementation raise some serious questions about their effectiveness.

The core of the administration's plan is the replacement of the aid to families of dependent children—AFDC—program by a single annual grant to each family: $500 for each adult and $300 for every child, or $1,600 for a family of four. With a total of 6.6 million recipients receiving $3.5 billion, the present AFDC program accounts for fully two-thirds of the national welfare case load. It is also the fastest growing of all welfare programs.

The rest of the President's proposals are intended to insure the effectiveness of the first. Day-care centers for children and training programs for adults are designed to make it possible for welfare mothers to work. All able-bodied welfare recipients, except the mothers of preschool children, will be required to accept suitable employment, if available, as a condition for receiving financial aid. A cash bonus of $30 a month for enrolling in training programs furnishes an added incentive.

On the surface this sounds like a package with something for everybody: A guaranteed minimum income to please the liberals, and a simplified administration plus a work incentive plan to placate the conservatives. Upon closer examination, however, it appears that there are many pitfalls in the new arrangement.

The House Ways and Means Commit-

tee approved the bill and sent it to the House floor as a complete package; that is, not subject to amendment. Several changes were made in the bill in committee, but they do not substantially alter the proposals. They do tend, however, to increase the Federal share of the financial burden.

The main thrust of the reform program remains centered around a guaranteed minimum income or benefit floor of $1,600 for a family of four, supplemented by Federal food stamps and State grants. Marginal earnings would not disqualify the members of the family for relief. They would remain eligible for welfare payments on a gradually decreasing scale until their income exceeded the poverty line—$3,500 annually for a family of four. Thus the head of a welfare family would have an incentive to work even while on welfare.

This plan contains a number of hidden drawbacks. First, it would greatly expand the welfare rolls, from approximately 11 to about 22 million. This would amount to 11 percent of the country's total population. Included under the new plan for the first time are working poor; that is, all those families whose income is less than $3,500 a year.

Then, too, the guaranteed minimum income is not intended to exclude other forms of assistance, but only to provide a floor for them. The Federal food stamp program will be continued. A family of four, for example, would receive an additional $750 worth of stamps, bringing their income up to about $2,350 a year. The States are also encouraged by means of a revenue-sharing program to supplement the minimum payment.

The administration estimates that the cost of its reform will be $4.4 billion in the first year. One economist believes it could rise as high as $10 billion. Many Members of Congress fear that it will exceed the official estimate by at least $1 billion, if not more.

There is considerable concern in some quarters that the centralization of the welfare function under the Social Security Administration could result in more complicated bureaucracy, not less, despite the proposed simplification of investigatory procedures. All that will be required of a welfare applicant under the new system is an income statement. Followup investigations will be conducted as spot checks only. In itself, this provision could cost the taxpayer considerably in unauthorized welfare payments.

The work incentive portion of the plan raises questions, too. It has not been demonstrated to most people's satisfaction that the incentives are sufficiently strong to induce those who would not otherwise work to seek employment. Presumably the heads of working poor families are already earning as much as they can. Under the Nixon plan, a wage earner is allowed to keep a portion of every dollar he earns over $750 until his income passes the poverty line.

Further, since most of the people now on welfare are either young children, their mothers, or the old or disabled, the work requirement would actually apply to a mere fraction of the welfare rolls, some 500,000 recipients. It these applicants refuse to accept suitable employment, they would forfeit their portion of the allotment only. That is their dependents would still be entitled to their payment. Thus the hypothetical family of four could receive $1,100 plus their food stamps even if the father refused to work.

The definition of suitable employment, moreover, is anyone's guess. It is not clear whether the administration means "employment for which the applicant is qualified," or whether more subjective leeway is to be allowed in the definition and the applicant is to decide for himself what constitutes a suitable job.

In view of the problems and ambiguities inherent in the present proposals, it is doubtful whether such reforms would really improve the welfare mess. It is much more likely that they would only add to the confusion. I am therefore writing to Secretary of Health, Education, and Welfare, Robert H. Finch, to ask him to clarify the administration's position. Unless he can give some assurance that these problems will be solved, I cannot support this bill.

Mr. MILLS. Mr. Chairman, I yield such time as he may consume to the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Chairman, I associate myself with the remarks of the gentleman from Arkansas, the distinguished chairman of the committee yesterday. It seems to me that was one of the most enlightening descriptions of this proposal which I have seen anywhere.

Mr. Chairman, the present welfare system is in drastic need of overhaul, and the legislation proposed by the President and reported by the Ways and Means Committee would be an improvement over present law.

Nonetheless, I have some misgivings about what we are being asked to erect in its place. For one thing, it will cost considerably more than the President has estimated, in my judgment.

For another, the family assistance plan looks more like a cash-food-work program than a work-food-cash program, and for that reason none of us should be overly optimistic about it.

This proposal has been touted in some quarters as a workfare plan, but that is a misnomer. It is actually a guaranteed cash income plan, and I am concerned about its adequacy as a means of identifying and providing jobs.

The family assistance plan requires a head of household to take a job or enlist in a job-training program, provided a suitable one is available. This is a work incentive notion, and the Office of Economic Opportunity claims it has evidence that work incentives do what theory contends they will.

If the President really believes this evidence confirms his approach as the right one, then I will support him in it.

I believe we may need a greater emphasis on job training and job opportunities. There are several manpower development proposals in the House—among them, a bill I am cosponsoring with the gentleman from Michigan (Mr. O'HARA).

Our welfare system is in great need of overhaul, and I will certainly not stand in the way of efforts to improve it. For that reason I will support the President's proposal. It is an improvement over present law, and I congratulate the President and the members of the Ways and Means Committee for taking the first step toward welfare reform.

But after it passes, I would hope that the President will back legislation to beef up this country's manpower development program. I regard welfare reform as a two-step process.

The first is a better and soundly administered welfare system, and the second is a strong and much improved manpower training program. We need both if we are to effectively reduce our welfare rolls.

Mr. MILLS. Mr. Chairman, I yield 10 minutes to the distinguished gentleman from Mississippi, the chairman of the Rules Committee (Mr. COLMER).

Mr. COLMER. Mr. Chairman, I thank the gentleman from Arkansas for yielding me this time, which I chose rather than to use time I could have had under the rule. I am grateful, I repeat, to the gracious gentlemen of the Ways and Means Committee for yielding me this time.

Mr. Chairman, I wish I had the capability, I wish I had whatever it requires—I should say maybe the ability of the able gentleman from Arkansas, for whom I have the greatest admiration—to express my feelings about this proposal we have here today.

Unquestionably it is the most controversial, it is the most important, it is the most complex and disturbing piece of legislation that I have had occasion to consider possibly in my whole career here as a Member of this body.

I am very much disturbed about this bill. I am very much disturbed about the threat that it poses to our system of government, to our way of life.

I am more disturbed about this when I realize that my able friend from Arkansas is one of the chief proponents of this bill, as well as my friend the President of the United States, for whom I also have a very high regard and much respect. When these two gentlemen advocate this type of legislation it does not necessarily mean that I am casting any reflections or aspersions on either of them, and certainly that is not the purpose of my remarks.

But here we have one of the greatest innovations that has ever been proposed in the domestic affairs of this Government of ours. What we do here is to propose that we are going to guarantee—and nobody can deny that—to every working man, a man who is willing to work, a guaranteed income, under conditions of family life such as the figures that are used of a family of man and wife and two children, which the able chairman and most of the Members of the committee have placed at $1,600 a year.

One member of the distinguished Ways and Means Committee says that

that is an error. He says that it is $2,600. I do not know who is right, but the principle is there regardless of the amount.

Now, as disturbed as I am about the threat that this philosophy of legislation poses to our country, I recognize, and other Members have to recognize, that this is just the beginning. We have seen these programs enacted here by the Congress with popular political appeal time after time on a modest level, and yet we have never seen one of them repealed, nor have we ever seen one maintained at that level. They are always accelerated. The demands are ever greater and greater, and the Congress succumbs to them.

Now, this utopian proposal is made at a time when the administration is talking about a surplus in the budget. It must be obvious to all who observe the additional costs of this and other programs, old and new, that we will not have a surplus nor a balanced budget but, on the contrary, we will again put the Government's budget in the red. Again. Mr. Chairman, one member of the Ways and Means Committee, who voted against the bill in committee, estimates that 43 percent of the budget now is for welfare as against 34 percent for national defense, even with the Vietnam war going on. All of this adds up to more and more inflation when the greatest problem confronting our people is inflation. No one can successfully contend that to the contrary.

I say that this thing, like all of the others that have been established, will grow, just as the fictional Topsy grew on schedule.

Now, what is the cost of it? Well, that has been discussed here today as it was yesterday. Frankly, I do not know what the cost is. I might add that frankly I do not believe anybody else knows what the cost is going to be, not even the proponents of the bill, because everyone who has discussed this matter in my presence, either on the Committee on Rules or on the floor of this House, has said that it was difficult to estimate and an estimate was the only way you could arrive at a figure. The best and the lowest estimate that has been made is $4.5 billion additional cost—and if I am not correct about this, I would like to be corrected—over the present program for the fiscal year that this goes into effect. This will be a minimum of $4.5 billion. There are estimates of up to $10 billion over the present cost of this program. Again I want to emphasize that this is but the beginning.

Mr. Chairman, this is a political body. Thank God it comes up for reelection every 2 years. I am talking about the House. I have never subscribed to the theory that the House of Representatives should have more than 2 years, because I think, as the Founding Fathers thought, that the people should have an opportunity every 2 years, if I may use an expression of my own, to turn the rascals out.

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

Mr. COLMER. I yield to my good friend from Iowa.

Mr. GROSS. First, I want to commend the gentleman from Mississippi for his splendid remarks. The gentleman never ceases to warn the House of the financial peril that is facing this country. Yesterday the chairman of the Committee on Ways and Means, Mr. MILLS, was asked the question, "Where are you going to get the money to pay for these additional billions of costs of this legislation? Do you propose to raise taxes?" The gentleman from Arkansas (Mr. MILLS), said that he did not propose to sponsor a bill increasing taxes. Now, where is the money to come from to finance this vastly expanded program, and when is it expected we return to some financial sanity in this Government, either by stopping the expansion of programs or abandoning some of the programs already in existence? It cannot be both ways.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MILLS. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. COLMER. I thank my friend, the able chairman, for this additional time.

Let me say to my friend from Iowa and to any and all others who might be interested that there is an old trite saying that we still are operating under a system where the people have to support the Government and the Government cannot support the people.

Mr. Chairman, there is only one way for the Government to get money with which to pay for these appealing programs and that is through taxes.

Now, we are confronted here with a national debt greater than all the rest of the free world put together. We will be faced before the final gavel is sounded here in this Congress with a request to increase that national debt limitation. We have scheduled a repeal of the surtax. The gentleman from Iowa and most of the others who give thought to this subject know that if we continue with these programs, even with this program, that we are not only going to have a surplus as the administration hopes, but we are going to be in the red again and we are going to have to retain all of the present taxes and probably add more.

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

Mr. COLMER. I would be happy to yield to my friend, but my time is rather limited. Would the gentleman make his question brief?

Mr. COLLIER. I shall do so.

What will the present program cost 10 years from now? Does anyone know? I do not know.

Mr. COLMER. I am not an expert in this field. I would prefer that the gentleman ask someone on the Ways and Means Committee that question.

Now, Mr. Chairman, the whole thrust and the objective of this bill is placed in the pious hope that this bill is going to put people to work and take them off welfare. Well, that is a nice thought and I think everyone of us would subscribe to that 100 percent. But I challenge that that will be done under this bill.

I do not have time to go into that, but there are entirely too many loopholes in this thing as to how you are going to make it work and get off welfare. Are you going to train a man for a job that does not exist, for instance?

Are you going to train a man for a job that is in another area? Is the Government going to take these people and remove them from Colorado to New York or some other State? It just simply is not going to work. The best that you can say for it is that there is a great gray area in there where it is impractical for it to work.

Now, let me say that with deference to all and disrespect for none.

I tried my best in my limited way and capacity as chairman of the Rules Committee, No. 1, to see that hearings were continued there for a reasonable time so that the people, the Congress particularly, would have an opportunity to know what was in this bill other than the present and appealing slogan of taking people off the dole and putting them on the payroll.

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

Mr. MILLS. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. COLMER. I thank the distinguished chairman of the Committee on Ways and Means and I appreciate the very gracious action of the chairman.

Mr. Chairman, I confess that I have used my best efforts to see that our committee had unusually extensive and thorough hearings on this bill which I regard as containing many inequities and impracticalities. I feel that we have succeeded at least to a degree. I think the public, and particularly this House, have benefited from those hearings. At the risk of seemingly being guilty of self-serving statements, I would like to add that I used my best efforts to bring this bill out under a modified closed rule, realizing that an open rule under present circumstances was unobtainable. I wanted to see a rule that would make it in order for the House to pass its will and use its discretion as to whether this guaranteed income phase of the bill should remain therein or be stricken out. Unfortunately, under the precedents of this House in the matter of closed versus open rules, plus the activities of the leadership on both sides of the aisle, as well as the able chairman of the Ways and Means Committee, and his opposite member, the ranking minority member, my efforts proved fruitless.

I have always maintained since I have had the privilege of being a member of the Rules Committee that the Members of this body are as capable of legislating as the Members on the north wing of this Capitol who legislate in a free atmosphere and without gag rules. Unfortunately, the efforts of those who share my views in this parliamentary procedure were unable to overcome this combined opposition to which I have just referred and, as this bill is being considered under a closed rule which not only denies an amendment that would strike this provision but denies any and all other amendments that any of the elected Members of this House might desire to offer other than amendments from the Ways and Means Committee. I think it is important here to note that the vote

on the adoption of the rule, in spite of the fact that no organized effort was made against it, was very close—204 for and 183 against. Certainly this is indicative of the feeling of the membership of this House on this type of a gag rule. Again, are we in the House admitting that we are not as capable of legislating as the Members of the other House, the Senate? In fact, are we not implying that we are second-class legislators?

I used my best efforts to try to bring you out a rule here that would make in order the consideration of a bill that would give you all of the benefits that are in this bill, but would strike out this impractical provision that you have here which is the beginning, if not the end, of a guaranteed income for all of our citizens.

But who am I, when arraigned against the powers that be, the leadership on both sides, not to mention the persuasiveness of the able gentleman from Arkansas and the able gentleman from Wisconsin? So we failed.

And it is interesting to note that a majority of the Committee on Rules voted against this rule yesterday on the floor. I impugn the motives of no one. And I say, looking back, had I known that the House was as cognizant of what was involved in this bill yesterday, as I think I know now, we might have defeated this rule.

So what are we left here with? Under this closed rule whereby we indicate that we are second-class legislators, that we are not capable of legislating, we are second-class to the other body which can legislate in a free atmosphere. We are left now with two options, the option that the minority has over here to recommit and the option to defeat the bill on final passage.

Mr. DINGELL. The time of the gentleman has again expired.

Mr. MILLS. Mr. Chairman, I yield 2 additional minutes to the gentleman from Mississippi.

Mr. COLMER. Mr. Chairman, again I thank the gentleman.

So we are left with these options.

Now, I understand that a motion will be made by the minority—and the powers that be of course on the minority side will see that the most advantageous motion to recommit from their viewpoint will be made. I am assuming, rather than running the risk of permitting somebody over here on this side of the aisle to offer a motion to recommit with instructions, that they will exercise their prerogative which, under the Rules of the House, the minority justly has.

So you will have an opportunity, then, to recommit the bill which frankly, I think, would be better than just voting it down. Let it go back to this distinguished Committee on Ways and Means and have them give further consideration to it and come up with something that would be more palatable to get us out of the admitted mess that we are in in this welfare program.

Now, Mr. Chairman, I cannot impose upon the few faithful here, and upon my gracious friend. But just let me wind up where I started.

I am worried—I am concerned about the future of this Republic and the future of the enterprise system that we enjoy, the liberties that we enjoy, and their perpetuation for future generations.

I wonder how many of you recall the letter that Lord McCauley wrote to his friend Henry S. Randall some 113 years ago in which he said that he had studied our American system of government and he was sorry to say that it could not prevail; that it was all sail and no anchor; that the day would come—and this is in substance what he said and not a verbatim quote—that the day would come when the demands of the people upon their elected Representatives would be so great that they could not be met and the whole American dream would collapse.

Mr. Chairman, I think this bill should be recommitted.

Mr. CONABLE. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana (Mr. DENNIS).

Mr. DENNIS. Mr. Chairman, I am under no illusion that anything I say here today is likely to sway the course or to affect the result of this debate; nor do I claim any expertise in the welfare field; but this is a landmark piece of legislation, I have to vote upon it, and I feel impelled to say a few words which express my feelings and my doubts and reservations on this matter, and which set forth my point of view.

This is a bill for welfare reform which commences by more than doubling the number of persons on the welfare rolls; certainly a somewhat anomalous situation. The argument is that, in the end, the number on these rolls will be decreased, by reason of the incentives built into the measure, which are designed to encourage recipients to become employed and to support themselves.

Whether this will, in fact, prove to be the case has to remain, in the nature of things, within the realm of speculation; while the immediate increase in number of recipients, in dollar costs, and in the necessity of taxation to meet these costs, is a palpable and present fact.

At this point two queries at least cross my mind: Why do we not make further efforts than we yet have at the use of incentives for self-removal from welfare programs in respect to those already on the welfare rolls, before we add millions to their number? And why do we not undertake and, for some reasonable and significant number of years, observe, evaluate, and, where we can, improve, a true pilot program in one or two localities, before we undertake this sweeping and costly experiment on a national basis?

All are agreed, I think, that the heart of the matter, the justification for this legislation, is the so-called workfare provisions of the bill. It is these provisions which are designed to encourage and to bring about voluntary self-removal from the welfare rolls; and it is on the effectiveness of these provisions, in practice, that the claimed virtues of this legislation must depend.

These workfare provisions, in turn, have two aspects. One is the work requirement; the other is the work incentive. A basic query here is, how efficient and how effective are this work requirement and this work incentive likely to be?

The work requirement is, basically, that, in order to qualify for the family assistance payment, a man must register and must accept, if it is available, suitable employment in which he is able to engage. If he refuses, without good cause, to accept such employment his assistance payment is forfeited—and, under the bill as drawn, this amounts to a loss of $300 per year. Aside from the fact that the penalty hardly seems to be a very large one, I think that I can foresee all kinds of trouble with the word "suitable"—particularly when it is further statutorily defined, in part, as it is, by reference to a man's past training and experience. I raise the question why the word "suitable"—at least as presently defined—should be retained in this legislation, if there is truly a desire to provide a strong work requirement. I do not believe that it is too much to require—or that it is hardhearted or reactionary to require—that, if an able-bodied man is to be subsidized by the American taxpayer, he should be required, as a condition precedent to receiving that subsidization, to accept any employment in which he is physically able to engage—and, if the word "suitable" is to be retained, that it should be defined as meaning and including any type of employment in which the recipient is, physically, reasonably able to engage. To do less, it seems to me, emasculates this work requirement provision.

The work incentive provision in this bill is, basically, that a welfare recipient shall be able to keep for himself half of what he earns; that is, that his welfare benefits shall be reduced by only 50 cents for each $1 he earns for himself. However, as was brought out in my colloquy with the gentleman from Wisconsin (Mr. BYRNES) yesterday, when all factors are considered, such as the effect on food stamp eligibility of the provisions of this legislation and other factors, the actual percentage of earnings which a recipient is able to keep without a decrease of his benefits is, in many cases, not 50 percent but more like 40 or 30 percent or below; or, putting it in more technical language, the so-called marginal tax rate goes up to 60 and 70 percent, or more. Thus the incentive which we hear about is, in fact in this legislation, substantially watered down and decreased.

When one considers, in addition, that many of those on welfare are minor children, the aged, and the ill, and that many others are the mothers of preschool children to whom the work-fare provisions and requirements do not apply, one cannot but wonder how effective these incentive-to-work provisions can prove to be in practice.

Again I say that we start out by more than doubling the welfare rolls, while the efficacy of the provisions relied on to, in time, offset this fact are certainly subject to debate and doubt.

The social implications of public subsidy to the working poor—including sta-

tutorily defined "poverty" and widespread use of public day-care centers for the rearing of children, and other factors—which I have not attempted to discuss—are also clearly open to very serious question.

It has been said that our present welfare system is a mess. It has also been said that, up to date, no satisfactory alternative for the plan proposed in H.R. 16311 has been suggested.

All this may be so, but these are scarcely arguments for the adoption, at this time, of this particular measure regardless of its own merits or its lack thereof. The real question before us is whether this bill will do the job.

We may well, indeed, need to pause, to wait, to study the problem, and to seek further.

What we do know is that, with the adoption of this bill, we place millions more of our fellow Americans on the public dole; and, say what you will, we guarantee these Americans a stipend from the Public Treasury. What we emphatically do not know is how, or whether, we will ever get them off the dole again; or how, or to what extent, this bill will operate to do so.

I fear we may well wind up with a bad situation merely magnified.

I believe that we may well be dashing off too hastily down a road which leads we know not where; and along which it may prove difficult or impossible ever to return, should the need arise.

Mr. MILLS. Mr. Chairman, I yield such time as he may consume to the gentleman from North Carolina (Mr. TAYLOR).

Mr. TAYLOR. Mr. Chairman, we all recognize the need for reform in welfare legislation. The work-training provisions of the bill are proper and have my support. But why not apply these work-training regulations to the 10 million people already on welfare rolls and see how successful we are in removing them from welfare rolls to payrolls as the first step. If the work-training programs operate successfully with these people, we could then consider bringing additional millions under a welfare program which is working effectively. The welfare structure needs housecleaning and tightening, but not expanding.

My objection to this bill is that it clearly puts cash payments from the Government first. It consigns some 15 million additional American citizens to welfare handouts. It would increase the cost of welfare for the first year by about $4.5 billion and probably cost $14 or $15 billion per year in a few years.

When we pass this law, we are going down the road of no return by guaranteeing a minimum income to people who are employed and people who are not employed. With each session of Congress, the demands will be for more and more. The tendency of welfare rolls is to go up—never down. When we adopt this bill, we will more than double the number receiving welfare checks from the Government. This will probably prove to be the most inflationary legislation considered since I became a Member of Congress.

Government spending is a question of priorities. Today, the Nixon administration is reducing the money to operate veterans hospitals, providing fewer Hill-Burton funds for badly needed local and regional hospitals, has recommended no money for the agricultural conservation program, has not provided enough funds to open the national forest campgrounds this spring as in the past, has approved less money than Congress recommended for education; yet it recommends this costly guaranteed income program which, in my opinion, should have a lower priority for Federal spending than any of the items mentioned above.

At present, welfare recipients receive guidance from a trained counselor. Many people need this guidance as much as they need money, but under this proposal in many cases the guidance would be gone and checks would just be mailed out from Washington.

This bill would encourage large families to be supported at public expense at a time when we need to work toward population control and family planning.

I favor working toward guaranteed employment, rather than a guaranteed income. The best way to end poverty is to go all out in providing all workers with needed skills and provide enough good jobs to go around. I cannot help but believe that welfare payments in many cases stifle the initiative and the pride of the recipients and perpetuate their poverty by destroying their get-up-and-go and their ambition.

We all favor providing adequately for the disabled and for those who are unable to provide for themselves, but for able-bodied people, I favor a route which encourages training and employment.

We are telling a workingman who is now supporting himself and his family with pride, that he is in poverty, that the Government is going to support his family and guarantee him a minimum family income. Such would destroy his self-respect and initiative. To obtain true economic independence, the initiative and the pride of the poor must not be stifled. Changing the name of a program does not change the fact that it is unwise to encourage our citizens to depend upon the Government for the support of their families.

Mr. MILLS. Mr. Chairman, I yield 4 minutes to the gentleman from New York (Mr. RYAN).

Mr. RYAN. Mr. Chairman, income maintenance is an idea whose time has come. Two years ago when I introduced in the Congress the first bill to provide for a guaranteed annual income, the idea was accepted in academic circles and by theorists, but it was dismissed by so-called pragmatists as politically impractical. Today the idea is respectable, and I think the administration deserves credit for making it respectable. Today it is endorsed by both political parties on the floor of this House through the action of the distinguished chairman of the Committee on Ways and Means (Mr. MILLS) and the distinguished ranking minority member of the committee (Mr. BYRNES) in reporting out H.R. 16311—the Family Assistance Act of 1970—which establishes a guaranteed annual income for at least a portion of the people in this country who desperately and deservedly need this income, and who are looking to us to responsibly meet that need.

I believe the Ways and Means Committee and all the members who supported this in the committee deserve credit for bringing it to the floor and making it possible for the Congress to face up to the failure of the present welfare system and to begin to lay the groundwork for an adequate guaranteed annual income.

Despite the efforts of the Ways and Means Committee, I believe there are a number of deficiencies in this bill to which I would like to address myself. I regret that, because of the parliamentary situation, there is not an opportunity to offer amendments to improve this bill. I testified on April 14 before the Rules Committee in favor of a rule which would make it possible to offer specific amendments to improve because it can be decidedly improved, although it is a step in the right direction, a first step, but one which it is essential this Congress take.

Let us recognize to begin with that a guaranteed annual income is not a privilege. It should be a right to which every American is entitled. No country as affluent as ours can allow any citizen or his family not to have an adequate diet, not to have adequate housing, not to have adequate health services and not to have adequate educational opportunity—in short, not to be able to have a life with dignity.

While there may be differences as to the mechanics of implementing an income maintenance system, there should be no dispute as to its need. There can be no dispute that poverty in the midst of this affluent country is insufferable and unconscionable.

Certainly, an improvement over both the administration bill and the bill reported out of the Ways and Means Committee would be the Income Maintenance Act which I first introduced in the 90th Congress, and which I reintroduced in revised form in the 91st Congress as H.R. 14773. It is this bill on which I testified before the Ways and Means Committee last November 13. Obviously, H.R. 14773 was not adopted by the Ways and Means Committee.

Accepting the concept of income maintenance, and establishing the mechanics for implementing that concept are two far different things. We do well to embrace the concept; but at the same time we are being presented with a plan for its implementation which is seriously flawed. It is these flaws which I want to address, so that they will be clearly perceived, and so that we will be clear as to what improvements must be made after this bill is passed.

Let us look at some of the areas where H.R. 16311 is deficient. Some of the deficiencies were in the original administration bill (H.R. 14173). Some are new.

First, I think it is essential that the benefit levels provided for in H.R. 16311 be raised. Under this bill, the basic allow-

ance payable to a family of four with no other income is $1,600 annually. This amount is totally inadequate. Even given the fact that some States will provide supplementary benefits, there can be no acceptance of a $1,600 level for a family of four without accepting as well that this would be a failure to provide meaningful help to the poor. That this is, in fact, the case is demonstrated by the statistics showing that only in 8 States will families experience a rise in assistance levels.

While the benefit levels for the aged, blind, and disabled have been improved by H.R. 16311, the levels for families remain the same as in the administration bill. And the figures prepared by the Department of Health, Education, and Welfare show how few families are adequately aided under these benefit levels.[1] Only 301,000 families will rise above the poverty line; 2,708,000 families will remain below it. In addition, 2,082,000 families whose incomes now fall between the poverty line and the low-income line will remain there. Only 77,000 families will rise above the income line. The administration's estimates further reveal that of 9,556,000 children now below the poverty line, 8,416,000 will remain there under the presently proposed benefit levels. And of the 6,946,000 children whose families' incomes now fall between the poverty line and the low-income line, only 341,000 will rise above it; 6,605,000 will not.

Yet, according to the Bureau of Labor Statistics, it costs a family of four living on a lower budget $6,771 a year in New York City. Nationally, the National Welfare Rights Organization is calling for a $5,500 level. And according to the Gallup poll of January 25, 1970—

> The average American believes a family of four needs a minimum of $120 per week ($6,240 per year) to make ends meet.

In brief, the benefit levels for the family assistance plan proposed by H.R. 16311 are totally inadequate. In addition, while the committee is to be commended for raising benefits for the aged, blind and disabled, the increases are not sufficient to provide a decent income.

Second, H.R. 16311 should be modified to cover single adults and childless couples. At present, the bill only applies to families with children. Yet, the need of families, without children, and single adults, is no less dire.

Third, a higher percentage of the costs for state supplementary benefits should be borne by the Federal Government. The Ways and Means Committee bill provides for 30 percent Federal matching funds. At the least, the matching provision should be raised to 50 percent and, instead of matching State supplemental payments only up to the poverty line, the matching provision should apply to those State payments made in excess of the poverty line, as well.

What is more, the matching provision should not in any way penalize the poor. As H.R. 16311 was reported out, it abolished the provision in the administration proposal permitting disregard of one-half unearned income. The money—$600 million—thereby saved was offset by the added expenditures incurred in providing for matching Federal funds. The consequence is to take money from the poor. While the aim of alleviating the burden borne by the States is commendable, it cannot justify denying the poor.

Actually, the solution is to provide for full federalization of income maintenance. Under the present scheme, States which already have made the effort to meet their obligations to their disadvantaged citizens by providing relatively better AFDC benefits, such as New York, are penalized. Their burden is lightened by 30 percent Federal matching, but the remaining load of 70 percent is an onerous one.

It is clear that Federal matching, if it is to really aid those States which most need Federal moneys because they are most responsibly meeting their obligations, must be far greater than the 30 percent provided in H.R. 16311.

Fourth, the matching provision for State supplementary benefits should be expanded to apply to those benefits paid to the working poor. Section 453 of H.R. 16311 precludes Federal sharing in the cost of these benefits. This limitation is unjustifiable for several reasons. For one thing, one of the objectives of the Family Assistance Act is to do away with the distinction between the working and the nonworking poor. This objective stems from the penalization which has been imposed upon the working poor by virtue of their being ineligible for welfare benefits in most States. This bill institutionalizes the distinction, rather than obliterating it.

In addition, once again those progressive States which have implemented welfare programs for the working poor—such as New York—even though they received no Federal assistance for such programs, are penalized. They still will not be receiving any Federal funds for these programs.

Fifth, the Federal Government should assume 100 percent of the costs of the programs for the aged, disabled, and blind.

Again, as I said earlier, only the Federal Government has the resources to assume this burden. The States simply are not financially able to readily meet the welfare needs of their citizens. Full federalization, not only of the programs for the aged, disabled, and blind, but of the entire income maintenance program, is urgently needed. Provision should be made for a 3- to 5-year phasing-in transition to this end.

Sixth, the coercive work requirement embodied in H.R. 16311 is undesirable. Philosophically, it is objectionable; forced work is alien to individual choice and freedom. Pragmatically, the fact is that there really are very few persons who would work, but who do not. The coercive work requirement is a misguided approach to a problem which really lies in the failure of the economy to provide places for these potential workers, and the failure of government—Federal, State, and local—to provide adequate job training to enable these people to develop skills which will make them attractive to employers.

Seventh, the work requirement for mothers with school age children is especially egregious. Again, this is a philosophically objectionable requirement. No mother should be required to substitute day care custodians for her care and love. We certainly would not conceive of requiring that of mothers with adequate incomes, and there can be no justification for penalizing mothers who have the misfortune—a misfortune thrust upon them, not chosen—to suffer inadequate incomes.

H.R. 16311 is even discriminatory as between recipient mothers. Those who have a husband receiving benefits are not required to take suitable employment. Those who have the misfortune of being without a husband are subjected to this requirement.

Moreover, practicality instructs us that such a provision cannot work; mothers who object simply will not comply with this requirement that they take suitable employment. Mitchell Ginsberg, administrator of New York City's Human Resources Administration, clearly attested to this fact in his speech before the National League of Cities Conference on March 10, 1970.

Finally, this coercive work requirement levied against mothers with school age children is unnecessary. Most mothers do, in fact, seek work, if there are jobs for them and day care facilities for their youngsters. The April, 1970 issue of Nation's Business, certainly not a noted liberal magazine, states in an article entitled, "The Great Welfare Debate:"

> Survey after survey has shown that most welfare mothers prefer to work but have been thwarted by the welfare bureaucracy, lack of training opportunities, lack of day care centers for children and lack of knowledge about job opportunities. (p. 60).

It is obvious from the deficiencies which are incorporated in H.R. 16311 that passage of this bill—which at least does achieve the commendable end of making a guaranteed annual income a reality—is only the beginning. Many provisions will have to be amended; many improvements will have to be made.

Because of this, I want to briefly detail the bill which I introduced, H.R. 14173, the Income Maintenance Act. By way of preface I would point to what I consider three of the most important differences between it and the Ways and Means Committee bill. First, the Income Maintenance Act provides for significantly higher benefits than does H.R. 16311—benefits for a family of four with no outside income reach $3,228 by the fifth year. Second, the Income Maintenance Act includes within its coverage married couples without children, and single adults. Third, the act contains no work requirement.

Now, I want to outline more extensively various aspects of the Income Maintenance Act.

First. Eligibility. The Income Maintenance Act, H.R. 14773, provides that all individuals and families are covered, with the exception of unmarried children under age 18 who are not members of an

[1] Selected Characteristics of Families Eligible for the Family Assistance Plan: 1971 Projections, Department of Health, Education, and Welfare, February 2, 1970.

eligible family. This contrasts with H.R. 16311, which limits benefit eligibility under the family assistance plan to families with children.

Second. Benefits. The Income Maintenance Act provides for increasing payments over a period of 4 years. In the first year, a family of four with no other income would receive an annual benefit amount of $2,004. This breaks down to a monthly rate of $50 for the family head and $39 for each dependent—which includes the spouse. The maximum family benefit for families of seven or more persons is $284 monthly, or $3,408 annually.

By the fifth year, the maximum level of benefits would be reached. The benefits for a family of four would be $3,228. The maximum family benefit, for families of seven or more persons, would be $5,472.

An additional factor in this equation is cost of living adjustments. Benefits are adjusted to reflect variations in living costs, including regional housing cost differentials.

Third. Reduction of benefits. The Income Maintenance Act which I introduced provides for a sliding scale of reduced benefits, so that as outside earned income increases the percentage decrease in benefits rises. The purpose is a simple one. If there is a large reduction in benefits following upon a comparatively small amount of earned income, there will be a substantial work disincentive.

Thus, for the first and second years of the act's existence, earned income in an amount equal to one-fourth of the maximum benefit will cause benefits to be reduced by an amount equal to 25 percent of that income. Earned income in excess of one-fourth of the maximum benefit will cause benefits to be reduced by 50 percent of the income. For the third year of the act's existence, and thereafter, the same 25 percent tax, so to speak, will apply. Similarly, the 50 percent reduction will apply, but will be limited to earned income in excess of one-fourth of the maximum benefit but less than 1½ times the maximum benefit. All earned income above that will cause benefits to be reduced by 75 percent of the amount of the income.

In other words, there is a three-step tax, so to speak—25 percent, 50 percent, and 75 percent, applied to different proportions of earned income.

The way this works in dollar amounts is demonstrated by looking at the break-even point: that is, the point at which outside income reduces the income maintenance benefits to zero. For a four-member family, for example, outside earned income in the first year of the Income Maintenance Act amounting to $4,259 would reduce benefits to zero. But the fifth year, when benefit payments reach their maximum, and the 75 percent reduction has come into effect, a four-member family would have to have outside income of $6,186 before reaching zero benefit payments.

Fourth. Coordination with present welfare. The assumption of my bill is that in States which now have higher average AFDC benefits than the base benefits provided by H.R. 14773, the State and Federal governments would make up the difference according to the present AFDC formula. Therefore, the present welfare recipient in those States would never be worse off than he is now. And, of course, where welfare benefits are below the standards of H.R. 14773, the recipients would be considerably better off.

Where the Federal income maintenance benefit is supplemented, my bill provides for State maintenance of present effort. The standards of need and the percentage of need provided are not to be reduced.

Fifth. Supplemental State programs. Under the Income Maintenance Act States may establish supplemental income maintenance programs patterned after the Federal program. Fifty percent of State expenditures under such a program would be reimbused by the Federal Government. As a condition of such Federal payment, however, eligibility under the State programs would have to be extended to all persons eligible under the Federal program.

Sixth. Work requirements. The Income Maintenance Act has no work requirement. Beneficiaries on a voluntary basis may request referral for participation in a work incentive program. Individuals actually participating in such programs would receive an additional allowance of $30 per month. Obviously, this is one of the chief differences from the Ways and Means Committee bill—H.R. 16311—which has a coercive work requirement, whose objectionable features I have already detailed.

Seventh. Assets. As for treatment of assets, under H.R. 14773, the Income Maintenance Act, there is no limitation on the amount of assets a family can own. While income would be imputed to each family on the basis of its assets, at a rate of 5 percent of their value, no income would be imputed on the basis of the family's personal effects, tools, home, household goods, or automobile except to the extent that the total value of such assets exceeds $30,000.

Eighth. Administration. As for administration, the Income Maintenance Act establishes a newly created Bureau of Income Maintenance within the Treasury Department. Investigations—other than routine examination of applications—would be limited to no more than 5 percent of the number of applicants, randomly selected except where there existed probable cause to doubt eligibility. Appeal rights would include the right to a hearing and also judicial review in cases where the results of a hearing were disputed. Overpayments could be recovered by withholding from future benefits or by direct recovery from the assets of the overpaid individual. However, no more than 50 percent of the overpayment could be recouped by recovery from assets unless the overpayment had been obtained by fraud.

I have devoted this time to outlining the bill which I introduced 2 years ago, not to complain about the fact that the rule under which this debate is being conducted precludes my offering an amendment so that the House may consider its merits, but because I believe H.R. 16311 to be deficient in many respects, and I want to make clear that alternatives and improvements are possible.

Those who reject the concept of a guaranteed annual income will certainly find no merit in either the bill I introduced, the administration bill, or in the bill reported out of the Ways and Means Committee. But to those who intend to support H.R. 16311, I urge diligent consideration of the improvements which must be made.

By accepting the concept of income maintenance, the administration has defined poverty and welfare as national problems which require national solutions. The Federal Government should move as rapidly as possible to assume the full costs of public assistance through an income maintenance program with an adequate level of benefits.

Of course—and this must be clearly understood—income maintenance is not the final answer. We must deploy a multi-faceted strategy to break the cycle of poverty. That strategy must include job creation and training; it must include expanded programs in education, health, and social services. Above all, this strategy to defeat poverty must be based on a firm, unremitting commitment to assure every American a life of dignity.

The CHAIRMAN. The Chair advises the Committee that the time remaining to the gentleman from Wisconsin (Mr. BYRNES) is 32 minutes, and the time remaining to the gentleman from Arkansas (Mr. MILLS) is 24 minutes.

Mr. MILLS. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. BINGHAM).

Mr. BINGHAM. Mr. Chairman, it has been clear for some time that this Nation's approach to the task of providing a living income for all Americans who cannot reasonably be expected to earn one on their own has been in trouble. Both the recipients of income assistance, and the taxpayers who pay the bill, have grown deeply dissatisfied. It is, therefore, most encouraging that the House finally has before it legislation that offers a major overhaul of our entire welfare system. This may well be the most important bill to come before the 91st Congress.

I was among the first Members of Congress to introduce legislation to provide a living income for all Americans. The National Living Income Act, which I introduced last August along with Mr. CONYERS, Mr. WHALEN, and Mr. RYAN, was designed to solve the glaring weaknesses in our current welfare system which many of us in Congress, and citizens across the country, have long criticized. It was designed to improve both the adequacy of the income provided to the poor, and the conditions under which assistance is made available. It raised the minimum income for a family of four to $3,200. It greatly increased the Federal contribution for welfare, which has become such an impossible financial burden for areas like New York City where more is now spent on welfare than on education. It would have established more uniform national welfare stand-

ards making the program more equitable for recipients and removing the temptation for the poor to migrate to already overcrowded urban areas in the North.

The welfare reform program originally proposed by the President offered many of the same improvements proposed in the national living income program, including the concept of assistance for the working poor, but fell short on others. It excluded, for example, the childless poor, and it proposed work requirements that have already proved impossible to enforce and questionable in value. It failed to make provision for regional variation in benefits to reflect regional cost-of-living differences, and the basic benefits were most inadequate—only $1,600 minimum for a family of four.

The modified version of the President's plan reported out by the Ways and Means Committee and now before the House would effect many of the changes in the welfare system I have long urged and which were essential ingredients of the National Living Income Act. In many respects, it is a great improvement over the President's proposal, for which I want to commend and thank the distinguished and very able chairman of the Ways and Means Committee, as well as the members of that committee. On the whole, this legislation offers a considerable improvement over existing approaches to income assistance, and I urge my colleagues to vote for it.

However, Mr. Chairman, we cannot afford to make the mistake of deluding ourselves by thinking that this bill makes all the improvements in our welfare programs that need to be made. On the contrary it contains many of the weaknesses contained in President Nixon's program. For example, the so-called family assistance program ignores the childless poor—giving disadvantaged young couples an incentive to have children to qualify for welfare when they cannot afford children—and this at a time when we ought to be doing everything we can to hold down our population.

Most importantly, however, the income level assured by this legislation is far from adequate. It will assure increased benefits in only eight States, and only a fraction of the families who qualify for assistance will be raised above the poverty level. Adding the $864 worth of food which a welfare family of four could receive, along with the minimum $1,600 in income which this bill provides, means that a family of four is assured of only $2,464 under this legislation—not including the States' contributions. But the Federal Government's poverty level for a family of four is currently set at $3,720—an average figure that does not account for the higher costs-of-living in urban areas. The low budget needed by a family of four living in an urban area, as determined by the Bureau of Labor Statistics, is $5,500.

A guarantee of $5,500 for a family of four as a goal for our welfare programs is viewed in many quarters as unrealistic—a radical demand not to be taken seriously. In my judgment, such a view is a tragically mistaken one. Not only have a number of welfare groups, including most prominently the National Welfare Rights Organization, made a strong case for a $5,500 basic welfare benefit, but such a large and representative distinguished group as the White House Conference on Food, Nutrition, and Health, called together by the White House to advise the President on problems of hunger and poverty in America, adopted a final action resolution calling for a $5,500 annual income floor.

Mr. Chairman, so that the Members of the House may be reminded of the specific recommendations of the White House Conference on Food, Nutrition, and Health with regard to income levels in relation to this legislation, I have earlier asked unanimous consent to include the "Task Force Action Statement" adopted by the Conference in the RECORD following my remarks.

This bill comes before us under a closed rule, with no amendments permitted. This is a procedure which I deplore. How can the poor people of this country be expected to understand that Members of this House have no chance to vote for example, for an increase in the benefits provided?

I was opposed to the form of the resolution—or rule—bringing the bill before us and would have supported amendments to permit the bill to be opened up for amendment. But by vote of the House in closing off debate on the rule, no amendments to it could be considered either. Mr. Chairman, these practices are seen by the general public as undemocratic; they demean the House. It is time they were changed. It is time the Members of the House were treated as intelligent adults, capable of voting amendments to a bill up or down on the merits, instead of being told they must accept or reject the bill exactly as it emerged from committee.

I hope that the needed improvements in the bill, including a major increase in the minimum income, will be made in the Senate and that the House conferees will look favorably on such amendments. I know that many of my colleagues share these sentiments.

TASK FORCE ACTION STATEMENT

INTRODUCTION

In opening the White House Conference on Food, Nutrition and Health, President Nixon said: "This meeting sets the seal of urgency on the national commitment to put an end to hunger and malnutrition due to poverty in America." We who have come here are already firmly dedicated to that goal. The President said: "Our job is to get resources to people in need, and then to let them run their own lives." He did not provide any new or meaningful program by which this can be accomplished. Obviously, he wanted us to do this, and intended that we should do so. To paraphrase the President we "not only accept the responsibility (we) claim the responsibility." Therefore, the combined task forces on Voluntary Action by Women, Consumers, Religious Organizations, Community Organizations, Health Organizations, Faculty and Students, and Organized Labor,[1] present the following action priority program:

I. *A national emergency:* There is a hunger and malnutrition emergency in this country today. Therefore the President must immediately declare that a national hunger emergency exists, and under existing authority must now free funds and implement programs to feed all hungry Americans this winter.

II. *Guaranteed adequate income:* The overriding remedy for hunger and malnutrition is a minimum guaranteed adequate cash income with a floor or $5500 annually (for a family of four). The government must also guarantee a meaningful job with a living wage to those who can work, elevation of wages and benefits to those presently underemployed, the "adequate income" to those unable to work or find employment, and maximization of the purchasing power of the food dollar for all.

III. *Interim food programs:* As interim measures only, present food programs must be reformed and expanded immediately in order to assure truly adequate benefits and participation by all who need them in all parts of the country.

IV. *Universal school food programs:* A national free lunch and breakfast program must be made immediately available to all children, through secondary school and regardless of income, that will provide at least ⅔ of the minimal requirements of the Recommended Dietary Allowance, while respecting cultural food preferences.

V. *Running the programs:* All administrative responsibilities for all hunger relief and nutrition programs must be shifted from the U.S. Dept. of Agriculture to the U.S. Dept. of Health, Education and Welfare, with corresponding shifts in Congressional committee responsibilities. The recipients of these programs must have responsibility for local administration of the programs under standards determined at the Federal level.

To put these priorities into action requires the following:

This nation today faces a national hunger and malnutrition emergency. This emergency situation requires emergency action.

While we initiate long-term programs to eliminate hunger in America, action must be taken immediately to deliver food now to the millions of Americans whose chronic malnutrition the nation can no longer tolerate. Only within the context of adequate food now can a program of nutrition education for all Americans have meaning.

We therefore call on the President to adopt immediately the following emergency program to feed hungry people this winter:

(a) Invoke Section 11 of the Disaster Relief Act of 1969 and like statutes in order to supply free food stamps to meet the needs of hungry people.

(b) Instruct the Secretary of Agriculture to immediately revise food stamp price schedules of less than $100 per month (based on a family of four) and at a maximum cost of 20% of income.

(c) Instruct the United States Department of Agriculture to implement directly a food program in every county and town in the United States within the next three months using all available funds, including the customs receipt funds (Section 32 funds).

(d) Actively support immediate passage and funding of the following essential legislation.

1. The Senate-passed Food Stamp Reform Bill (S. 2547).

2. A School Lunch Program Reform which consists of the Talmadge school lunch bill, the McGovern amendments and the Javits proposals.

3. The Economic Opportunity Act, particularly its section on emergency hunger relief (Section 401, Title X), and without the Green-Quie type state control amendments which will in effect destroy OEO.

(e) Instruct the Department of Agriculture to immediately require that all schools

[1] The AFL–CIO endorsed the policy statement in principle with no opposition on certain specifics. The Alliance for Labor Action (ALA), including the United Auto Workers, the International Brotherhood of Teamsters, and the International Chemical Workers Union, endorses this statement as written.

receiving Federal financial and commodity assistance for their lunch and breakfast programs provide free meals to all children whose families are receiving any type of public assistance.

Because each of these actions is either already authorized or embodied in pending legislation, action to meet this emergency can be taken within the next month.

II. GUARANTEED ADEQUATE INCOME

To implement this number one remedy to hunger and malnutrition, the following program is imperative:

(a) The adequate cash income presently at $5500 annually for a family of four sets a floor. It should automatically follow the cost of living as defined by the Low Standard Budget of the Bureau of Labor Statistics.

(b) Establishment of government careers in nutrition and allied health professions, in connection with other private and public efforts to solve simultaneously social problems and unemployment problems. These suggestions alone should provide two million new jobs.

(c) Grants to encourage and support broadly based organizations of low income citizens in local ownership and operation of such services as food production and distribution.

(d) Establishment of housing factories on the order of the automotive industry to serve the dual function of provision of low-cost housing and the provision of jobs at desirable wages. This involves creation of 750,000 to 1 million new jobs to produce 3–4 million housing units.

(e) Extension to all working people of the right to bargain collectively for wages, hours, and working conditions, including the right to strike or boycott when necessary.

(f) Extension of unemployment insurance coverage to working groups presently excluded, such coverage to be on the same terms and conditions as provided for other workers now covered.

(g) Improvement of the scope of Social Security laws with a 50% raise this year, so that the program provides a reasonable return on investment.

(k) Reform of certain pricing, packaging, promotion and other food industry policies and practices which add unnecessarily to the cost of food. This cost inflation is unfair to every consumer and particularly disastrous to the poor. We need:

1. Price reduction through mandatory limitation of promotional and advertising expenditure and other means suggested in the Food Marketing Commission Report.

2. Mandatory price marking and posting which facilitates and simplifies price comparison.

3. Effective inspection and regulation to insure availability of safe nutritious food at fair prices and conditions of sale.

4. Mandatory processing, packaging, and labeling requirements to identify and preserve nutrient content and assure accurate and honest promotion.

5. Encouragement of retail distribution systems which take special account of the needs of the poor.

(l) Establishment of a national prepaid health insurance program and new methods for the delivery of health care and extension of existing health programs to all states. The Medicaid Bill should be fully implemented by 1971.

The task forces feel that it is especially important to note that many of the above programs can be self-supporting and/or income-producing, and none will require appropriations higher than a fraction of the cost of the space program. Together they should create substantial new tax revenue (4 million jobs should produce an average increase of $5 billion a year in taxes), substantial increase in income through increased buying power, and a saving of $7 billion of funds misspent under the present public assistance programs.

III. INTERIM FAMILY FOOD PROGRAMS

None of the existing family food programs—food stamps, commodity distribution, emergency food and medical services—provides an adequate diet or permits the participation of all who have need. Major reforms and expansions are necessary to make sure that all people in need have access to an adequate diet until an adequate income becomes a reality.

As an interim measure only, the food stamp program must be altered so that it can become the primary vehicle for providing an adequate diet to those in need in all parts of the United States and its territories, and on Indian reservations. Free food stamps to those whose income is less than $100 a month (for a family of four), modification of the price schedule so that no recipient must pay more than 20% of his income for food stamps, national eligibility standards, self-certification, a coupon issuance to all recipients equal to the Low Cost Food Plan of the Department of Agriculture, a several-food expansion of the program—all are necessary to make the food stamp programs adequate. The commodity distribution program should no longer serve as a means of surplus disposal but should provide direct food aid adequate to a nutritious diet wherever necessary, fully respecting the ethnic and cultural preference of the recipients, Hunger programs of the Office of Economic Opportunity should also be expanded to supplement the above.

We must do the following:

(a) The President should support, and the House quickly approve, the Senate-passed food stamp bill. The program should be fully funded and fully implemented in all parts of the United States and its territories, including Indian reservations, before the end of this fiscal year.

(b) The Economic Opportunity Act Amendments of 1969, particularly the new section on emergency hunger relief (Title 4, Section 401—Title X), should be quickly approved and fully funded by the Congress, without crippling amendments subjecting part or all of the programs to state and local government control.

(c) The Federal Government should immediately initiate food programs in the 321 counties still without them.

IV. UNIVERSAL SCHOOL FOOD PROGRAM

There must be established a national child feeding program which will make available at least ⅔ of the Recommended Dietary Allowance. This is to be accomplished by implementing a free lunch and breakfast program for all pre-school elementary and secondary school children.

To assure maximum participation in the program, the following steps should be taken:

(a) Nutritious food selected shall be consistent with the cultural preferences of the children to be fed.

(b) Funds shall be provided to enable schools, child care centers, and other participating groups lacking adequate facilities for food preparation, to obtain such facilities or to devise ways to provide meals by other means.

(c) Community groups shall be eligible to operate child feeding programs.

(d) Local poor residents must be trained for careers in nutritional planning and food preparation for employment in the program.

(e) Food provided at the schools shall be available at the choice of the children and their parents.

V. RUNNING THE PROGRAMS

There is a conflict of interest established in the U.S. Department of Agriculture in its dual role—primarily the advocate for the producers of food, and secondarily the distributor of food to the needy. Therefore, all programs relating to the provision of food, food services, food stamps, commodity distribution and nutrition services should be removed from the administrative jurisdiction of the U.S. Department of Agriculture and be established in the Department of Health, Education and Welfare, whose primary concerns are the needs and well-being of the people these programs were created to assist. Within that department, the provisions of food services of all kinds should be tied as closely as possible to the provision of overall comprehensive health care. We call on the President to use his Executive authority to initiate these changes.

To provide maximum coordination, Congressional responsibilities for both funding and programming should be reassigned to coincide with the above administrative changes.

The provisions of food services has too often been thwarted by lack of responsiveness at the state and local governmental levels. The poor should run their own programs. Maximum dignified participation by recipients is insured by transferring organizational and operational responsibilities to duly constituted, broad based, local community organizations of the recipients themselves. Certification, review and auditing must be done entirely at the Federal level to circumvent parochial political implications and to insure the protection of individual rights of those presently living in hunger and despair.

From all corners of this nation we have come together out of a deep concern to end hunger in America now. We feel a heavy sense of obligation to follow through on our commitment and on the commitments of this Conference. We brought with us the diversity that is the American people and we believe there is need for on-going active participation of all people in implementing the recommendations of this Conference.

Therefore, we call upon the organizers of this Conference to provide an effective continuing mechanism by which all of us who have this concern can contribute vigorous continuing leadership to ensure that this Conference produces action. Today is a beginning, not an end, of our commitment to end hunger in America.

And the appropriate beginning is conference-wide adoption of the 5 points:

1. A National Emergency.
2. Guaranteed Adequate Income.
3. Interim Food Programs.
4. Universal School Food Program.
5. Running the Programs.

Mr. SCHEUER. Mr. Chairman, I am impressed with the important questions raised by my two colleagues from New York (Mr. BINGHAM and Mr. RYAN) and earlier today by my colleague from Pennsylvania (Mr. DENT). Important substantive issues have been raised pointing out directions in which the bill should be clarified or improved. I regret—along with many of my colleagues—that this bill—excellent as it is, and credit as it is to the distinguished Ways and Means Committee—came to the floor under a closed rule—and, therefore, cannot effectively be clarified or improved on the floor. I intend to vote aye on a motion to recommit so that the ambiguities and imperfections can be cured and the bill returned to the floor in improved form. If the motion to recommit fails I shall, of course, vote for the bill, for, with its shortcomings, it is nevertheless a great step forward in comprehensive welfare reform.

I know many of my colleagues join me in the hope and intent that the Senate will act on some of the testimony and other expert opinion on the bill—expressed during the months of hearings—and will clarify or improve the bill where the need has been established, and that the House conferees will approach such clarifications or improvements in a constructive and open-minded fashion.

Mr. CONABLE. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. WHALEN).

Mr. WHALEN. Mr. Chairman, I rise in support of H.R. 16311.

During the past 200 years the United States has developed the greatest standard of living the world has ever seen. Despite this fact there are today 25 million Americans who do not enjoy the fruits of this great standard of living.

How to assist these less-fortunate Americans represents one of the great domestic issues confronting our country today.

The Social Security Administration has developed what it calls a poverty index. According to this index, in 1959, 22 percent of all Americans lived below the poverty income line. Due to the great productivity of our economic system, by 1968 this figure had been reduced to 13 percent of all Americans. Despite this great improvement there are still two very disturbing factors that are present in these statistics. First, while the statistics indicate that approximately 3 million nonwhite Americans got out of the poverty bracket, nevertheless, today 34 percent of all nonwhite Americans live in what we call the poverty category, according to the social security poverty index.

Second, in the 9-year period between 1959 and 1968 there has been absolutely no change in the number of Americans who are members of families headed by females.

It is these two groups and combination of groups that represent what we might call our hard-core poor. It is to these two groups that our welfare programs at the Federal, State, and local levels have been directed.

We have heard from previous speakers that these programs have simply not worked. The costs have mushroomed. Yet the hard-core poor have not been dislodged. The reasons are many for the failure of our welfare programs to work. You already have heard a number of them mentioned. Let me cite what I consider to be the two most important.

First, current welfare benefits do not always go to those who are in need. Let me give you a couple of illustrations. A very noted economist, Eli Ginsburg mentioned a couple of years ago that only about 1 out of 10 poor Americans receives any benefit from our Federal poverty programs. Another well-known economist, Dr. James Tobin, delineated a series of Federal, State, and local welfare and social insurance programs and he made the comment that less than half of the poor in America receive any benefits from these programs.

Second, our current welfare programs provide the wrong incentives. For example, when a person on welfare accepts a part-time or seasonal job, his welfare benefits are reduced by an amount corresponding to the additional income he receives.

Mr. Chairman, it is evident, therefore, that our current programs are simply not working and we must have a new approach. I suggest to you, Mr. Chairman and members of the committee, we do have a new approach in the family assistance program which we are considering today. This approach, in my opinion, overcomes the weaknesses that are present in the current Federal, State, and local welfare programs.

For example, the benefits under FAP will go directly to the needy because they will be based upon income. Second, FAP will provide a positive work incentive, whereas under present programs we have negative incentives.

I think it was the late President Kennedy in his inaugural address in January 1961 who repopularized an old Chinese proverb:

A journey of a thousand miles begins with the first step.

I think we are taking today a significant first step if we adopt the family assistance program.

As the previous speaker, the gentleman from New York (Mr. BINGHAM) indicated, there are some Members who feel that there should be broader coverage and that the benefit level should be greater than that which is proposed in H.R. 16311.

As a matter of fact, I joined the gentleman from New York (Mr. BINGHAM) and the gentleman from Michigan (Mr. CONYERS) in presenting such a bill. But I think at the present time, due to the present Federal budget strictures, it is not very practicable to think in terms of broadening coverage right now.

Therefore, I would like to suggest to those of you who believe as I do that ultimately the program should be broadened, that the benefit level should be increased, that we are today indeed taking a significant first step. We are changing direction, we have come up with an innovative program. It is for this reason that I intend to vote affirmatively for H.R. 16311 and I would urge my colleagues to do likewise.

Mr. MILLS. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. BURTON).

Mr. BURTON of California. Initially, Mr. Chairman, I would like to record my support for the pending legislation and my commendation to the administration for demonstrating understanding to come forth with this proposal.

For those of our colleagues who are concerned that this proposal is too rich for their blood, I might note that a $1,600 annual base for a family of four hardly compares favorably with the Bureau of Labor Statistics findings that it takes some $5,500 a year for a family of four in the major urban areas of the country to live at some minimal level.

I must also state that I think the administration bill was somewhat preferable in the family plan than that which the committee reported, and I make specific reference to the fact that in the administration proposal the unearned income was permitted to be disregarded by 50 percent; the committee deleted this benefit to the poor which had the effect, lamentably, of taking some $600 million or $700 million per year out of their pockets.

However, with reference to the adult program the Nixon administration provided literally no assistance to the elderly, the blind, and the disabled in this country. It merely increased the Federal matching which wag going to result—essentially—in savings to the States. In this regard I think the committee is to be highly commended for their significant changes in the adult category by providing some minimum assurance of income for our aged, blind and disabled people.

And, finally, Mr. Chairman, I would like to note this: A number of my colleagues on the Democratic side of the aisle have privately noted that if the bill does not work, Republicans are going to have to take the full blame. Well, I happen to feel that that is just so much nonsense.

I am not sure this bill is going to work perfectly and I do not think the administration has said that. But anyone who knows anything about this field knows that our current program not only does not work and the costs of that program are skyrocketing. For those who are going to oppose this bill, I think the only way one can interpret that vote is that they are on record as supporting this current mess that we have and these skyrocketing costs under the current program will be theirs to defend and not mine. I am going to support the legislation.

I ask Chairman MILLS, it is my understanding that under present law and under this bill, the food stamp bonus will be disregarded in figuring the amount of adult assistance payments. Is that right?

Mr. MILLS. Yes.

Mr. BURTON of California. Under present law and regulations, home produce used by the household for its own consumption is disregarded as income or as a resource for adult public assistance recipients. This bill would permit this to continue, would it not?

Mr. MILLS. Yes.

Mr. BURTON of California. It is my understanding that under the adult assistance programs a scholarship of the type which would be disregarded under the family assistance provisions of the bill would also be disregarded as part of the rehabilitative services disregarded under the adult provisions, which apply in particular to the disabled and the blind. Is that right?

Mr. MILLS. Yes.

Mr. BURTON of California. It is my understanding that it is the intention of this bill that the authority of the Secretary to set the 25-percent Federal matching ceiling in the adult categories would not be invoked at a lower level of average payment, including full Federal participation, than the highest levels of average payment now made by the States under current State programs for the aged, blind, and disabled. Is that your understanding also?

Mr. MILLS. Yes.

Mr. BURTON of California. It is my understanding that the minimum payment to adults provided in section 1603

(b) shall be in the form of a cash payment which when added to an individual's other income, not disregarded under other provisions in the bill, will be at least $110 a month. That term would not include any amounts provided for medical care, except, of course, in the case of an institutionalized person. Is that right?

Mr. MILLS. Yes.

Mr. BURTON of California. If a State chooses Federal administration of the adult assistance categories, then the Federal Government would administer the program in accordance with requirements of Federal law whether or not the State plan was in full compliance with Federal law?

Mr. MILLS. Yes.

Mr. BURTON of California. Mr. Chairman, enactment of H.R. 16311, the Family Assistance Act of 1970, is a sound first step in reform of our public assistance structure. It provides benefits that are far below any objective gage of poverty and will provide only marginal assistance to all too many of our neediest citizens. Thirty Members of the House have joined me in signing the following statement in support of significantly higher income guarantees than those provided in H.R. 16311:

We believe all Americans are entitled to an adequate income from wages, welfare, or both. Surveys by the U.S. Department of Labor demonstrate that an urban family of four spends $5500 a year merely to live at a low level with an adequate diet. The Gallup Poll of January 25, 1970, says that the average American believes a family of four needs $120 a week ($6240 a year) to get along. Therefore:

1. A real welfare reform must be based on the amount of money that a family *needs*.

The U.S. Bureau of Labor Statistics regularly compiles such data that reflects what people actually must spend to obtain decent food, clothing, and shelter.

We support the implementation of the Department of Labor's determination of need. H.R. 16311 does not use such an objective standard of need as already determined by government agencies.

2. We criticize, as inadequate, the income level in the H.R. 16311 Family Assistance Plan (FAP). At worst, it provides only $7.70 a week for each person in a poor family of 4 ($1600/yr.); at best, a ceiling of $17.90/wk. per person (3720 FAP ceiling for 4). This Poverty Line is based on the Agriculture Department's Economy Food Plan which, according to the Department, "is not a reasonable measure of basic money needs for a good diet" and allows a person to survive with adequate nutrition "for short emergency periods of time and only under very special circumstances." Furthermore, there is no provision in H.R. 16311 for automatic cost-of-living increases; yet the latest Labor Department statistics show the cost-of-living is increasing the rate of 6.2% a year.

While, as members of the House of Representatives, most of us intend to vote for H.R. 16311 as a sound step toward the elimination of poverty, we nevertheless retain these serious reservations about the inadequacy of the Family Assistance Plan.

Representatives BURTON of California, BINGHAM, BROWN of California, CHISHOLM, CLAY, CONYERS, DIGGS, EDWARDS, of California, FARBSTEIN, FRASER, FRIEDEL, HARRINGTON, HAWKINS, HELSTOSKI, KOCH, LOWENSTEIN, MATSUNAGA, MIKVA, MOORHEAD, NIX, OLSEN, OTTINGER, REUSS, ROSENTHAL, ROYBAL, RYAN, ST GERMAIN, SCHEUER, STOKES, TUNNEY, and CHARLES WILSON of California.

Mr. Chairman, since the beginning of this Congress I have served as the chairman of the Democratic Study Group's Task Force on Health and Welfare. Before the Committee on Ways and Means reported the bill we will vote on today, the task force submitted its recommendations both to the committee and to the Democratic Study Group's membership. A number of our recommendations have been incorporated into the bill, and as a result the bill has been measurably strengthened. I submit for the RECORD now these recommendations so that all Members may familiarize themselves with them. We will be working in the months ahead to further strengthen the bill along the lines the task force has recommended so that the final product will, while remaining within the administration's fiscal and programmatic guidelines, insure that every Federal dollar spent contributes to the welfare of recipients.

In addition I submit for the RECORD the Democratic Study Group's Fact Sheet entitled "Proposed Welfare Reforms." This analysis was coordinated and developed by our brilliant and hard working staff member, Rick Merrill. In my view this document provides an extremely useful summary of the bill and analysis of its key provisions and points of controversy.

The material follows:

REPORT AND RECOMMENDATIONS ON PRESIDENT NIXON'S WELFARE REFORM PROPOSALS

The DSG Task Force on Health and Welfare herewith submits its report and recommendations regarding President Nixon's welfare proposals to the DSG membership. The report has also been forwarded to all Democratic members of the House Committee on Ways and Means and the Senate Finance Committee and to appropriate Government agencies and officials.

The Task Force, at the request of the DSG leadership, has been studying this issue since last October, when H.R. 14173, the Administration's welfare reform bill, was introduced in the House. The Task Force held a number of meetings and briefings on the subject. Special separate sessions were held with Mr. Ben Heineman, Chairman of President Johnson's Commission on Income Maintenance, former HEW Secretary Wilbur Cohen, and an Administration briefing team headed by Presidential Counselor Daniel Moynihan and HEW Under Secretary John Veneman.

The Nixon welfare proposals contain a number of commendable initiatives, particularly with respect to coverage for all families with children and Federal participation in setting standards. The Task Force recommends approval of the Nixon Family Assistance Plan as a sound step toward the elimination of poverty. However the Administration Plan should be strengthened in a number of key areas, and benefits under adult assistance programs broadened. Specific Task Force recommendations for improvement of the Nixon proposals follow:

FAMILY ASSISTANCE PLAN RECOMMENDATIONS

1. Labor standard safeguards contained in the Nixon Plan should be clarified, including definitions of wage levels and conditions under which job offers will be considered suitable.

2. Any work provisions for mothers should in all instances place the interests of the child or children first.

3. The Nixon Plan should contain a commitment to full federalization of family assistance, with benefit levels raised to the poverty level in equal stages within a specific time period.

4. Only net earned income, after deducting the expenses of seeking, obtaining, or holding employment—to the extent permitted by current law—should be considered in the reduction of the family assistance grant.

5. Food stamps should be provided automatically to all family assistance beneficiaries in amounts for which they are eligible.

6. States should be required to meet budgeted unmet needs in their family assistance programs, at the risk of loss of other Federal funds.

7. Assurance should be provided that no family receives a reduction in its grant (Federal and state) from what it is currently receiving.

CHILDLESS PERSONS

The Task Force does not recommend at this time the inclusion of childless persons, other than those eligible for assistance under aged, blind, and disabled programs, until and unless the unemployment rate reaches 6%.

In the event a 6% rate of unemployment is reached, the Task Force recommends that the benefit level for the then eligible childless persons be set at the family assistance rate.

AGED, BLIND, AND DISABLED PROGRAM RECOMMENDATIONS

The Task Force recommends approval of the Administration proposals, with the following additions:

1. Increase to $150 per month (from the $90 proposed) the guaranteed income floor for the Nation's aged, blind, and disabled.

2. Provide for a cost-of-living escalator clause in the minimum monthly guarantee.

3. Reduce the age eligibility from the present 65 years to age 60 for men and age 55 for women.

4. Increase earnings permitted to $100 per month for the aged and the same amount for the blind and disabled with an earning incentive to the later two groups of 50% in addition to the $100 disregard.

5. Require the states to fully meet any budgeted—but unmet—needs of aged, blind, and disabled recipients.

6. Assurance should be provided that no individual receives reduction in his benefit (Federal and state) from what he is currently receiving.

7. The provision of current law permitting the disregard of $7.50 per month of outside income should be made mandatory, and the current temporary $4.00 social security disregard should be made permanent, with a comparable increase for those not receiving social security benefits.

8. Food stamps should be provided automatically to all aged, blind, and disabled beneficiaries in amounts for which they are eligible.

FEDERAL ADMINISTRATION AND FUNDING RECOMMENDATIONS

The Task Force recommends that the administration of programs for the aged, blind, and disabled be assumed by the Federal government on January 1, 1971.

Program costs should be entirely borne by the Federal Government on January 1, 1971, except that:

For the calendar year 1972 the states shall pay the full amount they expended for the fiscal year ending June 20, 1970.

For the calendar year 1977 the states shall pay 66⅔% of the amount they expended for the fiscal year ending June 30, 1970.

For the calendar year 1973 the states shall pay 33⅓% of the amount they expended for the fiscal year ending June 30, 1970.

As of January 1, 1974, the full costs and administration of programs for the aged, blind, and disabled should be borne by the Federal Government.

PROPOSED WELFARE REFORMS

This DSG Fact Sheet deals with H.R. 16311, which contains President Nixon's basic

recommendations for reform of public assistance programs. The bill establishes a new Family Assistance Plan (FAP) with Federal eligibility standards and benefit provisions for families with children. The bill also provides Federal eligibility standards and minimums for aid to the aged, blind, and disabled.

The Ways and Means Committee reported the bill (H. Rept. 91-904) on March 11 by a vote of 21-3. The Rules Committee is expected to grant a closed rule on Tuesday, April 7. Floor consideration will begin Wednesday, April 8, subject to a rule being granted.

SECTION ONE

Background

Current public assistance programs comprise two major components—aid to families with dependent children (AFDC), and adult assistance programs for the aged, the blind, and the disabled. Both components are administered by the States or by localities with State supervision, with widely varying eligibility standards, benefit levels, and work referral requirements. For a family of four AFDC benefits range from an average of $44 per month in Mississippi to $264 per month in New Jersey. Adult public assistance benefits range from an average of $40 per month for the aged in Mississippi to $160 per month for the blind in California. About 1.7 million families containing 6.7 individuals receive AFDC. Another 3 million individuals receive assistance under programs for the aged, the blind, and the disabled.

Concern over public assistance programs has focused primarily on AFDC due to the rising rate of families applying for such assistance. The last attempt at Federal regulation of AFDC was the 1967 Amendments to the Social Security Act, which provided:

An AFDC "freeze," never implemented and repealed in June 1969, on the number of eligible children in a given state receiving AFDC due to absence of a parent from the home.

Mandatory referral of "appropriate" AFDC recipients for work training projects, with wide latitude for state administrators to define "appropriate" under Federal-state guidelines.

Work incentives providing for exclusion of first $30 per month earned plus one-third of the remainder, after deduction of the expenses of working.

AFDC rolls, however, continued to rise and a number of Federal agencies began to systematically analyze the public assistance population. President Johnson appointed a Commission on Income Maintenance Programs which undertook an in-depth study of poverty in the United States. Welfare specialists generally began to question traditional assumptions about public assistance beneficiaries. Most importantly, welfare began to be viewed in the overall context of poverty in the United States.

As a result of these various studies, new information about welfare recipients and the poor generally came to light:

Income at the government-defined poverty level for a family of four allowed about $100 per year for items other than basic necessities, such as medical care, furniture, and school supplies.

The food budget for an average welfare family was discovered to be $1 per day per person—too low for a nutritionally adequate diet, according to the Department of Agriculture.

In a total public assistance population of about 10 million persons, only 50,000, or 1 in 200, were found to be able-bodied employable males.

On the basis of such findings and mounting public pressure from overburdened State administrations, taxpayers, and welfare recipients themselves, the Nixon Administration in August of 1969 announced its Family Assistance Plan (FAP) for welfare reform, along with recommendations for consolidation and a basic Federal minimum payment in the aged, blind, and disabled programs.

The President's proposals generally received widespread public support. On March 11, 1970, after extensive hearings, the Committee on Ways and Means reported H.R. 16311 containing the key elements of the President's proposals for Federal benefit minimums and eligibility standards for family assistance and for programs for the aged, blind, and disabled.

Summary

H.R. 16311 terminates Federal participation in AFDC programs and instead establishes a Federal floor of $1600 per year for a family of four with no other income. Work incentive earned income exclusions permit a family of four to earn up to $3920 before losing their Federal supplement completely. FAP provides Federal eligibility standards that would include families headed by an unemployed male in the home and, for the first time, families headed by a full time employed person.

The bill requires States to maintain programs to supplement FAP up to their January 1970 level of payment or the poverty level, whichever is lower. States receive 30% in Federal matching funds for these supplementary programs. States would receive no Federal funds for programs to assist the working poor.

The bill provides tight Federal requirements for registration and referral for job training and employment programs to be developed by the Department of Labor. Mothers of preschool children need not register, but the bill requires all others, including the working poor, to register for job training. The bill authorizes new job training programs and child care facilities for these new registrants.

For the aged, blind, and disabled, H.R. 16311 consolidates existing Federal-State programs and sets Federal eligibility standards and income exclusion provisions. The bill provides a minimum payment of $110 per month for all aged, blind, and disabled eligibles who have no other income.

The bill will extend coverage under family assistance from about 7 million to about 20 million persons and extend coverage to adults under aged, blind, and disabled programs from 3 million to about 4 million persons. HEW and the Bureau of the Budget estimate that the bill will add $4.4 BILLION to current welfare costs, including $600 million for expanded work training and day care programs.

Summary of key differences between administration proposal and H.R. 16311

The Committee bill drops the provision in the Administration proposal permitting disregard of unearned income, thereby removing an estimated $600 million in direct Federal assistance to families with children. The Committee bill adds an estimated $300 million in savings to the States in the FAP portion of the bill and an estimated $100 million in aged, blind, and disabled benefits.

With regard to work registration and training requirements, the Committee bill contains the following new features:

Protective labor standard safeguards although the exact wage level at which beneficiaries must take jobs is not clear.

A definition of job "suitability" derived from that in use under state unemployment compensation laws.

A requirement that the working poor register for job training in addition to those without full time jobs.

Increased emphasis on special work projects where employment on the regular economy is not available, and Federal financing arrangements for on-the-job training.

The Committee bill also provides full Federal funding for day care programs as opposed to 90% Federal matching under the Administration proposal.

The Committee bill provides for full Federal assumption of administrative costs where States opt to have the Federal Government make direct payments to beneficiaries in both FAP and the adult assistance programs. The Administration proposal provided for only 50% Federal assumption of administrative costs.

In the aged, blind, and disabled adult categories the Committee bill raises the Federal minimum to $110 per month from the $90 per month in the Administration bill for individuals with no other income. The new Federal minimum combined with the earned income exclusions in the Committee bill will add to the incomes of aged, blind, and disabled public assistance recipients and broaden coverage of these programs.

SECTION TWO. BASIC PROVISIONS OF H.R. 16311

Title I. The family assistance plan

FAP Benefits and Eligibility

The bill provides an annual Federal family assistance benefit of $500 for each of the first two family members and $300 for each additional family member. The benefit is reduced by the amount of the family's income over and above the following:

The first $720 per year of the total of earned income of all family members, plus one-half the remainder.

Irregularly received amounts of earned and unearned income up to $30 per quarter of each type, determined in accordance with criteria prescribed by HEW.

Earnings of a child if in school and the tuition part of scholarships and fellowships.

The training allowance for those in training and earnings used to pay for child care.

Food stamps and other public or private charity, and produce grown and used at home.

Families with more than $1500 in resources, other than the home, household goods, personal effects, and property essential to the family's self-support would not be eligible for the program.

A family is defined as two or more people living together, at least one of whom is a dependent child under 18 (21 if a full-time student). A parent who is temporarily absent due to employment or military service would be considered living in the place of residence. Persons receiving aid to the aged, blind, or disabled are not considered family members. Military families would be considered eligible.

Each member of a family found eligible would be required to register for employment or training with their State employment service, except for the following:

Those unable to work because of illness, incapacity, or age, and children under 16 (21 if in school).

Mothers of children under 6 and mothers in cases where the father registers.

Persons caring for an ill member of the household.

The bill requires child care for those in training or employment and vocational rehabilitation for those unable to work due to incapacity, and permits voluntary registration of those exempted. The working poor would also be required to register.

Persons refusing to register or refusing manpower training or employment without good cause would not be taken into account (but their income would be counted) in determining the family benefit. In determining suitability for employment, a person's fitness potential, and prior training and experience would be taken into consideration. Individuals could not be required to take jobs "if the wages, hours, or other terms or considerations of the work are contrary to or less than those prescribed by Federal, state, or local law."

State Supplementation of FAP

States whose payments under the old AFDC program are above the FAP level would be required to supplement the FAP benefit

up to that level or to the poverty level, whichever is lower. The poverty level is defined in terms of family size as follows:

Family Size:	Basic Amount
1	$1,920
2	2,460
3	2,940
4	3,720
5	4,440
6	4,980
7	6,120

This level would be adjusted annually to reflect changed living costs. Thirty percent in Federal matching funds would be available for this supplementation. The Federal Government would pay 50% of the administrative costs of State supplementary programs.

States would have to supplement the benefits of all those currently eligible and all of those newly eligible under the FAP standards, except the working poor. All States would be required to supplement the benefits of families where the father is unemployed or where a child is between 18 and 21 and in school, both now at State opinion.

In computing benefits the States would be required to follow the rules for FAP, except in the case of the work incentive earned income exclusion. The complicated new earned income formula for the State supplement,[1] when combined with the FAP work incentive exclusion, would have roughly the same impact as the current disregard (all working expenses plus $30 per month plus one-third of earnings above this amount.)

Administration of FAP

The bill provides three possible administrative arrangements:

Federal administration of both the FAP and the State supplementary program, in which case the Federal government would pay all the administrative costs of both programs.

State administration of both the FAP and the State supplementary program.

Federal administration of the FAP and State administration of the State supplementary program.

In the latter two cases the Federal Government would pay the costs of administering the FAP and the Federal Government and the State would equally divide the costs of administering the State supplementary program.

The bill also contains a provision under which deserting parents would incur an obligation to the Federal Government for the amount of Federal payments to their families under FAP. Other provisions authorize $20 million for research and demonstration projects to improve FAP and technical assistance to the States.

Service Programs

Individuals registered under FAP would be provided an "employability plan" and services and training similar to those provided under the current work incentive (WIN) program. Existing manpower training programs would be utilized where possible and State welfare departments would be required to provide health care and other services to enable an individual to participate. Each individual participating in a training program would receive $30 per month and allowances to cover transportation and other associated training costs. The Federal Government would pay 90% of the costs of such training programs.

[1] The States would have to exclude the first $720 per year plus (1) one-third of the remainder up to twice the unreduced FAP benefit ($3200 for a family of four), plus (2) one-fifth of any earnings above that amount.

The bill authorizes grants up to 100% to public or private agencies for day care programs for children of manpower training participants. For school-age children, group or institutional care would be provided through local educational agencies whenever possible. Fees for child care could be charged on the basis of a family's ability to pay.

The bill authorizes 90% Federal matching grants for services supporting manpower training programs. HEW will make further recommendations for social services in the near future.

Title II.—Aid to the aged, blind, and disabled (AABD)

AABD State Plan Requirements

The bill would repeal current Federal provisions for separate programs for the aged (OAA), blind (AB), and permanent and totally disabled (APTD) and establish a new combined Federal-State program (AABD) with a monthly benefit minimum of $110 for aged, blind, and disabled persons with no other income. The bill provides for uniform Federal definitions for blindness and disability.

Existing Federal administrative requirements for State plans are retained in the bill, as are regulations designed to protect the rights of recipients. The bill also specifically excludes State plans which contain residency requirements, an age requirement over 65, or citizenship requirements which deny benefits to United States citizens or lawfully admitted aliens continuously in residence for 5 years preceding application.

AABD Eligibility and Income Disregards

In determining need for aid under AABD programs, States are required to exclude the home, household goods, and personal effects of an individual, and other resources up to $1500. States must also not impose responsibility on relatives unless the beneficiary is the relative's spouse, or a child who is under 21, blind, or disabled.

Income disregards are as follows:

For the blind and disabled, the first $85 per month of earned income plus one-half the remainder, mandatory on the States.

For the aged, the first $60 per month of earned income plus one-half the remainder, optional with the States.

$7.50 per month of earned or unearned income before disregard of any of the above, optional with the States.

The bill also makes permanent a temporary provision in the 1969 Social Security Amendments requiring the States to pass along to AABD recipients a $4 per month social security disregard.

AABD Federal Matching Provisions and Administration

The Federal Government would pay 90% of the first $65 of the average payment made to AABD beneficaries and one-fourth of the remainder, up to a limit set by HEW. The bill provides for optional direct payment to recipients by the Federal Government, in which case all administrative costs would be borne by the Federal Government.

State plans providing certain rehabilitative services prescribed by HEW for AABD recipients would qualify for 75% Federal matching for such services and 50% of the remainder of administrative costs. The Federal Government in any event would pay 50% of administrative costs of AABD programs.

SECTION THREE. COMPARATIVE ANALYSIS OF KEY PROVISIONS

President Nixon's welfare reform proposals raise a number of basic issues. Alternative proposals have come from a number of sources, including President Johnson's Commission on Income Maintenance Programs, Senator Fred Harris, a number of private organizations, and the Ways and Means Committee. Following is an analysis of Administration, Ways and Means Committee, and alternative proposals in key areas.

Benefit levels

The basic FAP benefit ($1600 per year for a family of four with no other income) is recommended in the Committee bill. This basic benefit is supplemented both in the Administration proposal and the Committee bill by exclusion of the value of food stamps ($864 for a family of four with the basic FAP income of $1600). This $2464 total compares with the basic benefits of $2487 recommended by the Harris bill and $2,400 recommended by the Commission of Income Maintenance. The Harris and Commission bills, however, also provide for automatic escalation to the poverty level in a specific period of time. A number of organizations recommend a basic benefit at the poverty level this year, currently set at $3720. The National Welfare Rights Organization recommends $5500, the Lower Standard Budget set by the Bureau of Labor Statistics for a family of four in an urban area.

The Administration contends that cost factors make any higher Federal guarantee impossible at this time and points out that State supplementary programs will add signficantly to the Federal minimum. HEW estimates that the recommended $1600 basic FAP benefits will add $2.6 billion to current Federal welfare costs, and that adding $100 to the basic $1600 annual family of four benefit would cost the Federal Government $500 million.

Coverage

The Committee bill and the Administration proposal both limit payments to families (defining family as a group of two, one of whom must be a child), and make no provision for childless couples or single persons. Both extend present coverage to families headed by full-time employed males (the working poor) and families where the father is unemployed and at home. The Committee bill also makes provision for an estimated 12,000 eligible military families, excluded in the Administration proposal.

Alternative proposals recommend universal coverage with specific exclusions for obviously undeserving cases. The Administration points out that FAP will cover 20 million persons in 1971, compared to the 6.7 million currently on AFDC rolls, and that universal coverage would add 4.5 million beneficiaries and costs of $1 billion to the program.

Income exclusions

Both the Committee bill and the Administration proposal contain a basic work incentive earned income exclusion of the first $720 per year plus one-half the remainder. The Administration proposal, however, contained an additional disregard of one-half of unearned income (such as veteran's benefits, social security, and railroad retirement), which the Committee dropped, thereby reducing total benefits by $600 million.

The Committee bill sets the amounts of irregular earned and unearned income allowable at $30 per quarter for each type, left to the determination of HEW in the Administration proposal. Setting an amount may make this disregard more or less automatic, thereby in effect increasing the initial disregard from $720 to $960 per year and raising the breakeven point from $3920 to $4160.

The Harris bill excludes the first $900 per year of earned income, plus one-half the next $1800, plus one-fourth of the remainder. The bill also defines earned income as net income after deduction of the expenses of earning such income. These exclusion provisions would allow a family of four to earn up to $6300 and remain eligible.

Work registration requirements

Both the Administration proposal and the Committee bill contain strict new provisions requiring FAP beneficiaries to register for work training and employment. The Administration proposal, however, contained

virtually no labor standard safeguards and left the definition of job "suitability" to the Department of Labor.

The Committee bill includes labor standard safeguards designed to insure that individuals are not placed in unsuitable or excessively low paying jobs, and that they are not forced to cross picket lines or join company unions. The bill contains a new requirement for mandatory registration of the working poor, doubling the total number of registrants from 1.5 to 3 million. The bill also reduces the mandatory registration age for non-students from 18 to 16.

Alternative proposals, including the Harris bill, contain liberalized work training requirements. The Harris bill permits persons to refuse work training in cases where suitable jobs are unavailable and excludes mothers of school-age children from registration and training requirements.

State supplementation

Since the Federal floor provided in both the Administration proposal and the Committee bill is below the level of payment in all but eight States, State supplementation programs are necessary to insure that beneficiaries do not receive less than they are receiving now. The Committee bill and the Administration proposal contain equivalent formulas for determining benefits, but the Committee bill formula for Federal participation (30% Federal matching) generally provides greater relief than the Administration proposal to States currently making greater effort. The Committee bill would result in an additional estimated cost to the Federal Government of $300 million. The provision for direct Federal matching funds also provides greater Federal leverage to insure State supplementation.

The Committee bill contains a provision not in the Administration proposal that sets the poverty level ($3720 for a family of four) as the maximum level to which benefits may be supplemented with Federal matching, thereby affecting the two States (New York and New Jersey) with benefit levels over $3720. The Committee bill also contains a provision absent from the Administration proposal permitting HEW to provide for individual cases that under FAP would receive less than they are receiving now.

Alternative proposals, including the Harris bill, recommend complete Federal financing of public assistance and therefore make no provision for State supplements. Such proposals include the working poor and therefore avoid work disincentives created by excluding the working poor from State supplementary programs, as in the case in the Administration proposal and the Committee bill. Providing Federal matching for State supplements to the working poor would add to Federal and State costs of the bill.

Administration

The Committee bill encourages Federal administration by providing for full assumption of administrative costs in cases where States choose to have the Federal Government make the basic FAP and State supplementary payment directly to the beneficiary. The Administration proposal provided for Federal assumption of only half of the costs of administering the State supplements in such cases. The Committee bill provides the same incentive for Federal administration of AABD programs while the Administration proposal recommended only a 50% Federal contribution.

The Committee bill contains a new provision for liability to the Federal Government for FAP benefits in cases of deserting parents during their period of absence. The Committee in its report indicates that spouses of deserting parents are expected to cooperate fully with authorities in tracking down miscreants under pain of loss of their benefits.

Alternative proposals, including the Harris bill, recommend complete Federalization of public assistance and therefore contain no provision for joint Federal-State administrative arrangements. Punitive administrative provisions are also not included in any alternative proposals.

Food stamps

Both the Administration proposal and the Committee bill permit food stamps for FAP beneficiaries. The Committee in its report noted the desirability of providing beneficiaries higher cash payments only, but said it could not devise a program to accomplish this end within Administration cost guidelines.

Alternative proposals, including the Harris bill, recommend abolishing food stamp assistance in favor of a higher basic income supplement. Rep. Gibbons of the Committee in additional views recommends an immediate integrated cash-benefit program, both to eliminate the inequities of the food stamp program and to save substantial administrative costs.

Manpower training and employment programs

The 1967 Amendments to the Social Security Act provided for a work incentive program (WIN) administered by the Department of Labor rather than HEW through state welfare administrations. The program fell below Congressional expectations because of Department of Labor and HEW slowness in promulgating guidelines, varying State interpretations of the guidelines for referral, inability of States to develop effective training programs, and inadequate provision for child care services.

Both the Committee bill and the Administration proposal abolish the old WIN program and establish in its place a new Federal program with tight referral provisions to eliminate differing interpretations of referral requirements. Both also contain specific guidelines for Federal-State cooperation and coordination with existing programs. Both authorize about $600 million for expanded job training and day care facilities.

In order to insure adequate day care facilities, the Committee bill provides for complete Federal financing for day care programs, as opposed to 90% Federal matching in the Administration proposal. The Committee bill also contains increased emphasis on special work projects where employment in the regular economy is not available, and on-the-job training with new financing provisions under the Department of Labor.

Alternative proposals recognize the necessity of providing work training opportunities for family assistance beneficiaries but stress the need to provide meaningful employment, with the Federal government the employer of last resort.

Costs

Both the Administration proposal and the Committee bill are estimated by HEW and the Bureau of the Budget to add $4.4 BILLION to current public assistance expenditures in the first full year of operation. Both provide about $600 million for job training and day care and $300 million for administration in appropriation estimates.

Estimates of costs are based on 1968 data and are predicated on 100% participation in the programs. Estimates for administrative costs were made before Committee provision for full Federal financing. Following are the breakdowns for the Administration proposal and the Committee bill:

The Administration proposal would have provided an additional $3 BILLION in payments to families, reduced by elimination of the unearned income disregard to $2.6 BILLION in the Committee bill.

The Administration proposal would have provided $100 million in relief to the States (the 50%–90% formula), raised under the new 30% Federal matching formula to $400 million.

The Administration proposal would have provided an additional $400 million for the aged, blind, and disabled, raised to $500 million due to the increase in the Federal minimum from $90 per month to $110 per month.

Alternative proposals are estimated to add from $7 billion (Harris bill) to $30 billion (National Welfare Rights Organization) to public assistance costs in the first full year of operation.

AABD minimum benefits

The Administration proposal contained a Federal minimum of $90 per month for aged, blind, and disabled persons with no other income. The Committee raised this minimum to $110 per month. The Committee bill also contains a new formula for Federal participation that makes it impossible for States to avoid a contribution, as they could have under the Administration formula.[2]

Alternative proposals recommend raising the Federal family assistance minimum to a level that would adequately cover present AABD recipients and permit abolition of current AABD programs in favor of a single Federal program for the needy.

AABD income disregards and eligibility requirements

For the blind the Administration proposal and the Committee bill both contain a mandatory disregard of the first $85 per month of earned income plus one-half the remainder. In the State option disregards for the aged and disabled, the Administration allowed the first $20 per month of earned income plus one-half the remainder up to $80 per month (current law). The Committee bill extends to the disabled the same earnings disregard accorded the blind and permits states to disregard the first $60 per month plus one-half the remainder for the aged.

The Committee bill contains a provision allowing a State option disregard of $7.50 per month of earned or unearned income, and a mandatory $4 per month disregard for Social Security recipients. The Committee bill also drops a provision in the Administration proposal that expressly prohibited States from imposing property liens against aged, blind, or disabled individuals on account of benefits paid them.

SECTION FOUR. FAP (H.R. 16311) POINTS OF CONTROVERSY

The family assistance plan as proposed in H.R. 16311 has raised a number of points of controversy—both in terms of general approach and in terms of certain features. Following are arguments for and against the basic plan and arguments for and against specific provisions.

Basic plan

Proponents of FAP contend that the plan makes significant improvements in the current family assistance structure. They make the following points in its favor:

FAP establishes Federal standards of eligibility that will eliminate inequitable treatment of recipients.

FAP extends coverage to families headed by an unemployed father and to the working poor, currently in effect in only certain States.

FAP contains incentives to encourage States to opt for Federal administration of all public assistance programs.

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[2] Under the Administration formula the Federal Government provided all of the first $50, half the next $15, and one-fourth the remainder (average Federal payment with a $90 minimum: $57.50). The Committee formula is 90% of the first $65 and one-fourth the remainder (average Federal payment with a $110 minimum: $58.50).

By establishing a Federal income floor, FAP will reduce State and regional differences in the level of benefits paid.

While the Federal guarantee of $1600 per year for a family of four with no other income is too low, adoption of the program will generate a constituency to press for higher benefits, as was the case with Social Security.

Some critics of FAP believe the plan does not go far enough. They make the following points:

The Federal guarantee of $1600 per year for a family of four with no other income is far too low, and the bill makes no provision for even gradual raising of benefits to the poverty level or for increases based on the rise in the cost of living.

FAP excludes childless couples and single individuals from coverage, denying benefits to millions of needy people.

FAP perpetuates the current Federal-State administrative tangle and contains no provision for even gradual Federal assumption of all public assistance payments.

Other critics of FAP believe the plan goes too far. They make the following arguments:

By extending coverage to unemployed fathers and the working poor, FAP will add between 10 and 15 million people to the welfare rolls and put us on the road to a guaranteed income.

Provisions for Federalization will only create a massive permanent Federal welfare bureaucracy.

FAP attempts too much with insufficient funds; available resources should instead be allocated to existing programs, particularly job training and child care, rather than initiating a new program.

Specific provisions

Work Registration Requirements

Pro: Work registration requirements will provide an additional tool in getting people off welfare rolls and onto employment rolls. Since 11 million mothers of children under 18 are now working, welfare mothers should not receive special treatment. Requiring the working poor to register will permit upgrading of skills and allow the Department of Labor to develop a more adequate data base from which to analyse poverty.

Con: Registration requirements only perpetuate the myth that most welfare recipients are shiftless chiselers. Requiring mothers of children over six to register is potentially harmful to the development of the children; mothers should be allowed to determine the extent to which their presence is needed in the home. The requirement that the working poor register will swamp State unemployment services. The bill in addition establishes no priorities for referral of registrants for job training. The working poor (including the members of the Armed Forces), mothers of children *under* six volunteering for training, and unemployed fathers will all get the same treatment.

Work Incentives

Pro: By permitting people to hold full-time jobs while still receiving family assistance the bill significantly reduces the incentive to quit work and go on welfare. The Federal uniform initial work incentive exclusion of $720 per month plus one-half the remainder allows individuals to keep enough earnings to make work worthwhile and supercedes with a greater incentive varying amounts allowed under existing law.

Con: The so-called initial $720 plus one-half the remainder work incentive in the bill in fact excludes only that amount of money needed to meet the costs of employment, already provided for in the 1967 Amendments. The much-advertised 50% marginal tax rate is deceptive, because when one takes other public assistance income such as food stamps and State supplements into account and deducts expenses such as State and local taxes, as much as 90% of each dollar over $720 is deducted, thereby eliminating the financial work incentives in the bill.

Work Training and Child Care Programs

Pro: Work training and employment programs are essential to provide individuals with the ability to obtain adequately paying employment and get off welfare. Since successful work training programs depend in large measure on adequate day care facilities, the Committee bill provides full Federal financing for day care, which will spur development of day care facilities by the States and localities.

Con: Emphasis on work training programs diverts attention from the real problem—the lack of meaningful employment at an adequate wage in many areas of the country. Training people for non-existent jobs will only crowd an already tight job market. Work training programs in any event depend on adequate child care facilities, obstructed not by lack of Federal money but by State and local inability to develop quality programs.

Need Determination and Disregards

Pro: The new Federal need determination and disregard provisions will save State administrative costs and insure that recipients are treated equally in all jurisdictions. Disregards are necessary to keep costs of the program down and still provide for those in greatest need by providing for the wide variety of personal circumstances in which beneficiaries find themselves.

Con: The need determination and disregard provisions of the bill will prove almost impossible to administer and will require an immense new Federal bureaucracy. Such provisions should be eliminated in favor of an income guarantee for all Americans. Specific inequities in the bill include:

Discrimination against those of college-age receiving room-and-board scholarships, because of a provision for disregard of tuition only.

Incentive for families to spend their limited savings or life-insurance on additional household goods to qualify for benefits.

Unemployment Definition

Both supporters and critics agree that one of the major shortcomings of the bill is its reliance on the current definition of unemployment as working less than 30 hours a week. As long as the working poor are excluded from Federally assisted State supplementary programs, the current definition creates a work disincentive for many working poor. Individuals in States with a level of payment over $2100 can receive additional income (and, in some States, qualify for Medicaid) if they can come close to their present income by working 30 hours a week instead of full-time.

One remedy would be to define unemployment as working 20 hours a week or less, thus making it difficult for a person to earn near his present income and still qualify as unemployed. Alternatively, State supplements could be extended to the working poor, but this proposal would add to Federal and State costs of the bill.

APPENDIX I. HOW TO DETERMINE A FAMILY SUPPLEMENT

The amount of assistance a family could receive under H.R. 16311 will vary depending upon many factors, including the number of persons in the family, the family's income, and the State in which the family resides. To determine the family's total supplement for all but eight states [3] one must first determine the amount of the Federal supplement and then the amount of the State supplement.

Federal supplement

Determining the Federal supplement is a three-step process:

1. Subtract $720 from total family earnings;
2. Divide this amount by two; and
3. Subtract this figure from the basic FAP benefit ($500 for each of the first two plus $300 for each additional family member).

Thus a family of four with total earnings of $2,000 (and no disregardable income [4]) would receive a Federal supplement of $960, as follows:

1. $2000 (earnings) minus $720 equals $1280.
2. $1280 divided by 2 equals $640.
3. $1600 (basic FAP) minus $640 equals $960 Federal supplement.

State supplement [5]

Determining the State supplement is also a three step process: [6]

1. Find the difference between the following amounts: Earnings minus $720; one-third of earnings minus $720 (up to $3,200);
2. Add the family's Federal supplement to this amount;
3. Subtract this figure from the State's current level of payment (determined from table on reverse side).

Thus our family of four with $2,000 in earned income (and no disregards) if it lived in Illinois (level of payment: $3,228) would receive a State supplement of $1,415, as follows:

1. $1,280 minus $427 equals $853.
2. $853 plus $960 (Fed. supplement) equals $1,813.
3. $3,228 (payment level) minus $1,813 equals $1,415, State supplement.

Total supplement

Thus the total supplement for an Illinois family of four earning $2,000 a year would be $2,375, bringing the family's total income to $4,375, as follows:

Earnings	$2,000
Federal supplement	960
State supplement	1,415
Total supplemented income [7]	4,375

AFDC annualized levels of payment for a family of four (our adult plus three children) with no other income—based on latest HEW information

Alabama	$972
Alaska	2,220
Arizona	2,124
Arkansas	1,140
California	2,652
Colorado	2,292
Connecticut	3,524
Delaware	1,788
District of Columbia	2,928
Florida	1,608
Georgia	1,596
Hawaii	3,108
Idaho	2,880
Illinois	3,228

[3] Because they currently pay less than the basic FAP benefit, the Federal supplement would be the total benefit in Alabama, Arkansas, Georgia, Louisiana, Mississippi, Missouri, South Carolina, Tennessee.

[4] Such dollar-for-dollar disregardable income would include training allowances, earnings of a child in school, the value of food stamps, and irregular or infrequent amounts up to $30 a quarter for each type.

[5] In order to be eligible for any state supplement, our sample family would have to earn $2,000 with no member working over 30 hours a week if the family lived in a State with no program for the working poor.

[6] An additional provision, applicable to families with an income past the FAP break-even point ($3,920) but still eligible for state supplements, provides for exclusion of one-fifth of remaining income.

[7] Provided our family did not live in one of the few States that impose a maximum, if the maximum were below this amount.

Indiana	1,800
Iowa	2,928
Kansas	2,844
Kentucky	1,956
Louisiana	1,248
Maine	2,508
Maryland	2,196
Massachusetts	3,684
Michigan	3,156
Minnesota	3,468
Mississippi	828
Missouri	1,560
Montana	2,436
Nebraska	2,400
Nevada	1,724
New Hampshire	3,084
New Jersey	4,164
New York	3,756
New Mexico	2,196
North Carolina	1,608
North Dakota	3,132
Ohio	2,316
Oklahoma	2,220
Oregon	2,628
Pennsylvania	3,312
Rhode Island	2,664
South Carolina	1,140
South Dakota	3,084
Tennessee	1,548
Texas	2,148
Utah	2,328
Vermont	3,192
Virginia	2,856
Washington	3,648
West Virginia	1,656
Wisconsin	2,376
Wyoming	2,700

APPENDIX II. A WELFARE GLOSSARY

AABD—Aid to the Aged, Blind and Disabled, the new assistance program for the aged, blind, and disabled persons. It combines three separate Federal-State programs for aid to the aged (OAA), aid to the blind (AB), and the aid to the permanent and totally disabled (APTD).

AFDC—Aid to Families with Dependent Children (formerly ADC), the currently operating Federal-State program for assisting families with dependent children.

Breakeven Point—That level of earned income at which the amount of public assistance available a beneficiary is reduced to zero. This point also denotes the coverage of the program.

Determination of Need—Features of a bill that outline eligibility for assistance, such as permissible assets, relative responsibility requirements, and age or disability definitions.

Disregards—Income that need not be counted in determining the benefit level of an individual receiving public assistance.

Earned Income—As used in H.R. 16311, all remuneration for services performed as an employee and net earnings from self-employment.

Minimum—The lowest amount of total income, set by law, that an individual on public assistance must receive. The minimum is therefore the combination of assistance payments and other income which is not disregarded.

Unearned Income—As used in H.R. 16311, all income that is not earned, including annuities, pensions, social security, workmen's compensation, unemployment benefits, railroad retirement, disability insurance, prizes, life insurance proceeds, gifts, rents, dividends, interest, royalties, alimony payments, and inheritances.

Work Disincentives—Provisions that reward an individual with additional benefits or do not significantly reduce benefits if he works less or quits his job altogether.

Work Incentives—Provisions for allowing an individual to retain that percentage of his earned income that, when combined with his benefit, will produce sufficient additional income to encourage the beneficiary to work.

Mr. CONABLE. Mr. Chairman, I yield 3 minutes to the gentleman from North Carolina (Mr. RUTH).

Mr. RUTH. Mr. Chairman, for several weeks I have been telling my constituents that I would like to hear the debate before making up my mind on this issue, and there are several points that I would like to mention.

First, for a bill of this magnitude I am disappointed that the proponents are not talking about the merits of the bill to the extent that they are saying: It is better than what we have.

Second, if a pilot program has been conducted in two States for about a year, it seems we should either have more definite evidence or wait until we have more evidence as to its effectiveness.

Third, it seems if this were a business enterprise the chairman would be saying "We have a failure on our hands. We are going to change a few formulas, include more people, refinance it, and try it some more."

Fourth, I hate to see the campaigns of the future become based on the amount of the guaranteed income promised by the candidates.

Fifth, I hope we do not vote for work incentives which turn out to be just the opposite. We should be less concerned with what we hope this bill would do, and more concerned with what the bill will actually do.

The CHAIRMAN. The Chair will advise the Members that the gentleman from Wisconsin (Mr. BYRNES) has 24 minutes remaining, and the gentleman from Arkansas (Mr. MILLS) has 20 minutes remaining.

Mr. CONABLE. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from New Hampshire (Mr. CLEVELAND).

Mr. CLEVELAND. Mr. Chairman, I have taken this time to inquire further from the gentleman from Arkansas and the gentleman from Wisconsin concerning details of this bill. One of the questions I would like to ask of the gentleman from Arkansas, who is on the floor, is that I am concerned about the rural poor. The President stated in his state of the Union message that we probably should do what we can to redress the outmigration problem caused by people leaving the rural areas and piling up in the cities where they often create so many problems.

So, addressing ourselves to the provisions of this bill as they pertain to working poor families, I know that at least in my State some of the unemployment compensation offices are scattered. I wondered if the committee has studied the problem of how somebody would go, say, 40 or 50 or 60 miles to register for the provisions of this legislation.

Then another question comes up. If, after he has registered and under the provisions of this act he is going to be required to take training, if he comes from a small rural town, is it going to be possible to set up a training program in that small town?

I wonder if the chairman would respond to those questions?

Mr. MILLS. If the gentleman will yield, yes; I have the same degree of concern, I might say, that the gentleman has in this very problem. Like the gentleman, I have a lot of these areas that are small communities in my district. I would call the attention of the gentleman to the fact that there are these employment services or security offices scattered all over with at least one in the counties. That is the case in my own State.

Mr. CLEVELAND. Yes, but we have some pretty large counties.

Mr. MILLS. I understand that. There would be no payment to an individual from any agency of the Government, unless the welfare department of the State would do it, to provide the transportation into the office to register. He would have to do that.

But if he is assigned to a training program, then it is possible for the employment security office to make available to him the cost of transportation to and from his training, if that is necessary, to make it possible for him to take a course in training.

This is not necessarily a matter of training 50 people at the same time, you understand, which might be training in automotive mechanics or something like that. This is directed more toward individualized training.

Mr. CLEVELAND. However, the fact is that some of these training programs could not possibly be set up in the rural areas and that they would have to travel.

Mr. MILLS. In my own area, I can envision a situation where three counties might be included for the purposes of one training center. But the employment security office would have to make available to the individual such transportation as necessary to enable him to carry out their instructions to attend a course of training. They would have to do that.

Mr. CLEVELAND. I thank the gentleman.

Mr. Chairman, I would comment simply by saying that I do not think this can be considered as encouraging people to stay in the rural areas. I think it is, if anything, going to give an incentive to move into or toward urban areas where they can travel a short distance to apply and travel a short distance to their training program, and where inevitably the recommended job will be located.

Mr. MILLS. I have just the opposite view on it because I know in my area the tendency now is for many of our people who have been on the farms all their life, when adversity comes along and they find they are not making the living on the farm that they want to, to go to the city. I think that here we have some degree of opportunity to train these people in the rural areas for employment. It may be in a town where they get that employment or within the city. But they could take their training while they are at home, and at least they do not have to go into the city to get that.

Mr. CLEVELAND. I have another question that I would like to ask, if the chairman would be so kind.

Is there any provision in this bill which deals with the question as to whether people who register under the provisions of this act—whether their names

will be made public under our public information laws?

Mr. MILLS. There is a special regulation within the Department of Health, Education, and Welfare dealing with these matters prohibiting, say, a newspaper from going to an office and getting a full list of these names. The names of these people will be made available to prospective employers; that is, to people who have a right to know who they are.

Mr. CLEVELAND. To a certain extent, they will be published?

Mr. MILLS. Yes; to that extent.

Mr. CLEVELAND. Thank you.

Mr. Chairman, I regret that there is no more time to explore a number of other questions which I have about this program, and which I have not heard satisfactorily answered in this debate.

A significant point is that the proposed bill will more than double the number of persons who will be registered at the State employment security offices. Though Congress may get around to increasing the appropriation to provide for this, I personally tend to doubt it. Will we be prepared for the deluge of applicants which will descend upon the employment security offices?

A second aspect of this bill which I question is that social security recipients who qualify for family assistance payments will have to register with employment security for a job, and will have their FAP reduced by the amount of their social security payments. Yet if these same people want to help themselves instead of relying on the dole, they run into a $1,680 earnings limit. They are discouraged from working, and encouraged to subsist on their Government check. Is this not a basic contradiction?

The whole area of cost estimates for this proposal deserves thorough questioning. The data on which the cost guesses are made are based on a 1966–67 study which was updated to 1968, and now projected to 1971 and beyond. This is quite unrealistic.

Hard figures on which we will be able to base our estimates will soon be available, in the form of that long 1970 census which we all filled out recently. It is tragic to have to misuse bad statistics when good ones will soon be available.

Given our experience with medicare and medicaid, where the actual cost has far outrun earlier predictions, should we not be candid and admit that the actual cost will be much higher? I might add that it is interesting that some of the same people who are outraged by military cost overruns are now willing to accept low estimates of the cost of the family assistance plan in order to promote acceptance.

I also question very seriously estimates of proponents that the FAP, which will double the number of people on the rolls, will by 1975 be costing only a little more than existing programs would if we did not change them. In order to determine the anticipated cost of existing programs, if unchanged, it is assumed that both caseload and costs will continue to increase at the same rate as over the past 3 years. AFDC benefit schedules are adjusted upward yearly to compensate for cost of living increases, and the projected costs assume that this would continue. But, the estimates for the family assistance plan assume that until 1975 there will be no increase in the $1,600 level of benefits.

Can we honestly say that we are not going to give periodic increases to compensate for inflation, just as we do in all other programs? Yet if we do, the FAP will be much more expensive than even the existing program.

Not only are the cost projections suspect, but the Legislative Reference Service tells me that there is reason to believe that the recent rapid growth in the caseload of AFDC is leveling out. Yet the figures cited project that the rate of increase will be the same as that of the last three years. This,too, should be clarified.

Mr. Speaker, by no means am I opposed to giving to those truly in need and my record amply proves that. However, I raise these questions because I doubt whether the proposed reforms are any better than the existing situation which apparently we all deplore. About the only thing that is certain about the family assistance plan is that it will immediately add at least 10 to 15 million people to the welfare rolls.

About the lowest estimate of its cost put forth is approximately $5 billion. For this same amount, we could adopt the Prouty proposals to give all social security recipients adequate retirement income—$1,800 for one person, $2,400 for two people—as well as eliminate the anti-incentive earnings limit on social security for all people over 65. This certainly seems a better place to put our dollars, if we want to put them where they would do some real good at no additional administrative cost.

Mr. MILLS. Mr. Chairman, I yield to the gentleman from Louisiana (Mr. BOGGS) 5 minutes.

Mr. BOGGS. Mr. Chairman, we are coming to the end of this debate which, in my judgment, has been a most significant and enlightening one in attempting to show to the Members of the House the pressing need for welfare reform in our country.

As all of you know, this bill came to the floor after many weeks of intensive hearings and after many weeks of executive sessions in the Committee on Ways and Means, with only three of the 25 members on the committee against it.

I venture to say that more than a majority of the members on the Committee on Ways and Means at the beginning of the hearings approached the proposals with considerable misgivings. But after examining alternatives, and after looking hard, carefully, and critically at the existing welfare programs and how they have worked over the past 30 years—after that very intensive study and very intensive debate, the committee came, as I said, almost to a unanimous conclusion that this was the proper and right thing to do.

There is almost universal agreement among those concerned with our present welfare system that that system, particularly with respect to the program for needy families with children, has failed. This bill is being proposed to remedy this situation by an approach that recognizes that we can no longer attempt to patch up what is basically an unsound structure.

The present AFDC program is characterized by incentives to family breakup and by the inequitable exclusion from assistance of poor families in which the father is employed. The time has come to replace this program with an entirely new program—the family assistance plan. Under this plan, for the first time, on a nationwide basis, families with unemployed fathers would be able to receive benefits; at present, AFDC benefits are available to such families in some States but not in others. Also, working poor families would be provided assistance, for the first time, on a nationwide basis.

It is time we recognized that it is bad social policy to have families in like situations treated differently because of the employment status of the family head—a policy that has all too often made it more attractive to go on welfare than to go to work. The exclusion of families in which the father is working has acted as an incentive for fathers to become unemployed or leave home in order to qualify their families for assistance. H.R. 16311 would do much to correct these inequities.

Another inequity to which this bill addresses itself, and in my opinion successfully, is the wide variation in payment levels and conditions of eligibility among the present State programs. Under this bill, all dependent families with children in America, regardless of where they live, would be assured of a Federal minimum standard of income—$1,600 for a family of four—based upon uniform eligibility standards. Moreover, families will be able to keep a fair share of their earnings. The first $720 of earnings a year will be completely disregarded, and above this amount, benefits will be reduced by only $1 for every $2 of earnings. This treatment of earned income would provide a strong incentive both to take employment and to increase one's earnings. A family with a working member will always be better off than a family without a working member. This provision gives recognition in the case of the welfare recipient of a fact of life so fundamental and so obvious that the rest of us have always taken it for granted—simply that if a person would be better off working than not working, he will work. To illustrate the effect of this provision, it would be possible, for a family of four to receive some benefits under the program until its income reached $3,920. As the family's income increases over the basic $720 of exempted income, its benefit payment would, of course, be reduced.

In addition to the obvious advantage to the recipient of uniform eligibility standards is the fact that such standards allow for uniform administrative mechanisms, so that we could take advantage of the economies of scale that are possible with an automated and nationally administered system.

Another important reform provided under the bill is the requirement that every able-bodied adult member of a

family—except mothers who have preschool-age children or others specifically exempted such as those with a disabled family member to care for—register for work or training. There is no other single provision in this bill that is more fundamental to the success of our efforts to transform welfare into workfare than these provisions for work and training.

Another important change this bill would make in the present welfare system relates to the programs which provide aid to our citizens who are in financial need due to old age or due to blindness or other crippling disabilities. It is important that we not allow the urgent need to reform the program of aid to families with dependent children to overshadow our concern for and commitment to our older citizens. I have been greatly concerned about the inadequacy and unevennness of assistance payments now being made to recipients of aid under the adult categories.

I am pleased that this bill would take constructive and very much needed steps to revise and improve the substance and operation of these adult programs. In particular, the bill would require that States assure that each aged, blind, and disabled adult will receive assistance sufficient to bring his total income up to at least $110 a month. This measure should be of great help to our older needy citizens who are finding it increasingly difficult under the inflationary conditions that prevail today to live on their present fixed inadequate incomes.

I am also glad to see that the bill would provide more uniform requirements under the adult programs for such eligibility factors as the level and type of resources allowed and the degree of disability and blindness required to qualify for assistance. In addition, the bill would liberalize the earnings exemptions under these programs. The earnings exemption for recipients of old-age assistance, which is optional with the States, would be made consistent with that under the family assistance program—the first $60 a month plus one-half of the remainder. The exemption for the severely disabled would be made consistent with that which has been in effect for some years for the blind—a mandatory exemption of the first $85 a month plus one-half of the remainder. I believe this latter provision should go a long way toward providing real encouragement to the severely disabled to accept rehabilitation services and employment within their capacities.

I am also pleased that under this bill, the Federal Government will make a strong contribution toward relieving the financial burden of the States. In order to assist the States in making supplementary payments, the bill provides that the Federal Government would pay 30 percent of a State's supplementary payment costs up to the poverty level. This represents an important improvement over the original proposal under which States were assured a savings of 10 to 50 percent of their costs in the federally assisted public assistance programs.

The inclusion of the new provision under which the Federal Government will pay 30 percent of a State's supplementary payment costs should go a long way toward providing relief for the financially overburdened States and in a way which would, in general, help States which have been making greater fiscal effort in their welfare programs to achieve more savings than they would have under the original proposal. Moreover, the provisions of the reported bill provide additional financial assistance to States that increase their supplementary payment levels up to the poverty index level, whereas the original version of the administration bill would have acted as a disincentive upon the States to keep their payments in line with increased living costs.

In voting for this bill we are recognizing that the vast majority of Americans do not want to be on welfare. They want to have the opportunity to earn decent livelihoods without the constant knock on the door by the social worker, the person who checks on them and makes their lives miserable, degrading, and embarrassing. In addition, the administration of the present program by the States is frightfully expensive.

This bill does not come here only with the recommendation of the members of the Ways and Means Committee. It comes here with the active support of the President and his Department of Health, Education, and Welfare. It has been suggested and supported by important segments of both political parties, both the Democrats and Republicans. It has today the active support of the business community. It has only recently been thoroughly examined by a most representative Presidential commission, which gave its full and entire approval to the proposals of the committee.

Obviously, Mr. Chairman, the bill is not the answer to all our problems, but it is certainly a step in the right direction. It is a step that states that we shall rely upon the ability of men and women to earn their own way. In this society where the gross national product approaches a trillion dollars, the idea that we will have continuing poverty is one that our Nation quite properly rejects.

This bill is a step in that direction. I congratulate the members of my committee for the tremendous amount of time and effort which they have given to the bill. It comes here not alone but as part of a reform package of many parts. We are now conducting intensive hearings into social security generally and into medicare and medicaid. Hopefully, by the end of this session, we shall have legislated constructively in the field of welfare, in field of family assistance, in the reform and extension and modernization of social security, and a similar reform and modification of medicare and medicaid. It is part of an overall package designed to realistically approach these problems of welfare and social security, and I hope that the committee will be sustained by a substantial majority of the House of Representatives.

Mr. CONABLE. Mr. Chairman, I yield myself 8 minutes.

Mr. Chairman, and my colleagues, one thing that we have proven in the past 2 days of debate has been that Alexander Pope knew what he was talking about when he said in one of his famous couplets:

All looks yellow to the jaundiced eye.

I do not blame my colleagues for being a little jaundiced about this whole subject of welfare. It has been a very visible part of our social structure. It has been subject to a great deal of criticism because it has not been working. We are not so much trapped in a semantic sense as embarrassed by the emotional surcharge that the word has acquired over the years of misdirection of our welfare program.

And when we hear, as our leaders have explained that we are adding several million people to the welfare rolls, that means something to us that frightens us instinctively, because when we think of the welfare rolls we think of people who are not working but who are participating in the largess of the taxpayers, the productive elements of our society.

When we talk about adding people to the welfare rolls in this bill, we are not describing welfare in the traditional sense. Of the millions that are added, many are going to be added only in a peripheral sense. They are going to be people who will receive only a modest amount. They are people who are already working and who are ineligible for welfare now, because they are working. In short, under the bill they are going to be receiving supplements, not traditional welfare.

This is the only way in fact that we can design a bill that will make it worthwhile for people to work. I do not know about my colleagues, but I will tell Members that one of the toughest letters I have to answer is the letter which comes from a man who says that he works very hard, he has been working all his lifetime, and he has never been able to participate in the affluence of America. The fellow across the street from him, his wife and children are on welfare, and he is making more money than the man who works. Therefore, he asks, why should he continue to work when it is costing him money?

We have talked a great deal about incentives, and those who have been viewing this bill with a jaundiced eye have said the incentive program built into this bill is not going to work. In fact, they say we are just adding millions to the welfare rolls and increasing dependency rather than reducing it.

Mr. Chairman, this country has paid more than lipservice to the incentive system for 300 years. The incentive system has served this country well, although only 90 percent of our populace has been participating in an incentive system. The bottom 10 percent has had a disincentive to work. In fact, they have been criticized by members of their own families on occasion for refusing to go on welfare, because it was economically advantageous for them to do so.

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

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

Mr. HAYS. Mr. Chairman, I was a little curious about this incentive, and I am sincere about it. If a man, say, with two children is eligible for a supple-

ment under this bill, and across the street there is a man with 10 children, and he is also eligible, will the man with 10 children—as I understand it, he will—receive more supplements than the fellow with two?

Mr. CONABLE. That is correct.

Mr. HAYS. Then the question arises in my mind, is this an incentive to work or an incentive to have more children?

Mr. CONABLE. Let me say I do not think many people would consider $300 a year adequate incentive to generate another hungry mouth to feed. I question whether the generation of children is usually a matter of economic incentive. We have to deal with the families as they are, and nobody would want to give any family the incentive to dispose of children.

Mr. HAYS. I understand that, but there are people—for instance, there is a fellow in my hometown who has been on welfare all his life, and he has had 11 children and raised all of them on welfare, and they are raising their children on welfare. They are exactly the type, if they can get $300 for more children, who would have more if they could. There are no racial overtones in this, because the fellow happens to be a Caucasian.

Mr. CONABLE. The gentleman from Ohio is falling into the very same trap I have been talking about. He is talking about the welfare system as it is now, and that has, in fact, put many people in the situation where the only way they could improve their economic circumstances was to have more children. The fact is that this bill provides a new work incentive instead of a children-producing incentive in the sense the gentleman is talking about.

Mr. HAYS. I hope it does, but it seems to me that it provides both.

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

Mr. CONABLE. I yield to the gentleman from Arkansas, the chairman of the committee.

Mr. MILLS. Mr. Chairman, I would like to call to the attention of my friend, the gentleman from Ohio (Mr. HAYS), the fact that in this bill there is more incentive to work, bearing in mind that the person who was mentioned by the gentleman from Ohio will not continue on this program to get one penny for himself until he goes to the employment office and registers for work and/or training. He must do that before he can even get one cent.

Mr. HAYS. He will have a doctor's certificate to say that he is not able to work.

Mr. MILLS. Then he is not able to work.

Mr. HAYS. He is able, but he will get a certificate from his doctor stating he is not able.

Mr. MILLS. If the gentleman will yield further, the local office of the agency in the gentleman's hometown where the person applies for benefits or is referred for training and work will have their own doctors and they can examine that gentleman.

Mr. CONABLE. Mr. Chairman, the critics of this plan have attacked.

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

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

Mr. CONYERS. Mr. Chairman, I just wanted to assure my colleague, the gentleman from Ohio, that when he pointed out the case of the man the gentleman knew in his hometown, whom he knew all his life, and who was raising his kids, the gentleman suspected, to stay on welfare, when I started to rise it was not because I suspected that constituent to be of one particular race or the other.

I want to assure the gentleman of that. I am glad he explained who this person was.

I have some disagreement, not on the question of the ethnic background of that one single person mentioned. I am sorry he is in the gentleman's town and is a constituent.

I was questioning the premise of whether or not we are going to let one person like that stop this kind of a program. I believe there are probably some people like that in every Member's district, but I am not prepared at this time to say that this very minimal bill should not go through.

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

Mr. CONABLE. I yield very briefly to the gentleman from Ohio.

Mr. HAYS. I can say to the gentleman, this is not the only case like that I know of. I could cite many of them. I cited this one because it is an extreme case and because I know it better than others.

Mr. CONABLE. I hope the gentleman will give the incentive system an opportunity to work by acknowledging the obvious economic advantage this bill gives to those who go to work or continue to work.

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

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. MILLS. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. CONABLE. Mr. Chairman, I should like to address myself briefly to the issue of the suitability of the job offered the welfare recipient.

The point that must be made and cannot be made frequently enough is that the suitability is not going to be determined by the recipient himself or by a traditionally minded welfare worker. The issue of suitability is going to be determined by the Labor Department.

Frankly, we have to be tough on this issue because of the very type of welfare recipient the gentleman from Ohio was referring to. I believe the American people, the American taxpayers, except no less.

On this issue of suitability, it has been within our intent to limit it to the determination of the Labor Department from the word "go."

I realize there is a good deal of misgiving about this, and I hope it can be cleared up not only through our discussion of legislative intent but also in other ways.

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

The CHAIRMAN. The gentleman from New York yields back 1 minute.

The Chair will advise that the gentleman from Wisconsin has 10 minutes remaining and the gentleman from Arkansas has 15 minutes remaining.

Mr. MILLS. Mr. Chairman, may I suggest that the minute yielded back be yielded to the gentleman from Wisconsin. I consumed at least 1 minute of the gentleman's time.

The CHAIRMAN. The Chair will do that by unanimous consent.

The time remaining is 11 minutes to the gentleman from Wisconsin and 14 minutes to the gentleman from Arkansas.

Mr. BYRNES of Wisconsin. Mr. Chairman, may I ask the gentleman whether he has any other speakers, other than possibly himself?

Mr. MILLS. That is all.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. COLLIER).

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. COLLIER) for 5 minutes.

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

Mr. COLLIER. I am delighted to yield to the gentleman from New York.

Mr. ROBISON. Mr. Chairman, in the months of debate and discussion which have preceded our formal consideration of the administration's family assistance plan, I have been impressed with the overwhelming fact that no one seems prepared to defend our present system of welfare. Good men may argue about the advisability of the new program before us, but everyone seems to agree that the system we have developed, in patchquilt form, over the past 35 years is not fulfilling its purpose or achieving its stated objectives. The difficulties with the past program—both conceptual and logistical—are well known to all of us, and need not be detailed again. But, in retrospect, I am surprised at how long we have tolerated a social services system which actually encourages men to leave their families—so that their children, legitimate or not, would be eligible for increased welfare assistance. I am surprised that we have accepted, as a fact of our federal system, the wide diversity among States in the amounts given to families—who, after all, are as destitute in one State as in another. I am surprised that we have been so complacent about a system which provided such an incomplete incentive to work. I am surprised that we have not before seen the overriding need for widespread availability of day-care centers and training programs to be directly coordinated with any national program of assistance.

And it is with this backdrop, and with this appreciation of our basic problems with what has evolved in the past, that I am especially hopeful about the family assistance plan which we now consider. As a Republican who holds the belief that his party can well be the vehicle for peaceful and orderly progress, I am proud of President Nixon's leadership in providing what he has rightly called, "an income strategy to deal with our most pressing domestic problem."

This "strategy" is carried out under the family assistance plan in several ways. The working poor with children are incorporated into the social services system by having their earnings supplemented if their income is below the poverty level, so as to guarantee that they will always be making more money by working than they would by staying home. All adult recipients, who are not disabled, are required to register for work or job opportunity training, unless the individual is a mother of a child 6 years or younger. A Federal floor is established which will serve to narrow the gap among the various States in welfare payments. In addition, these specific components of the program are coordinated with a greater emphasis on providing day-care centers in the proximity of the affected families and on providing training opportunities for those without the skills necessary to procure dignified and worthwhile employment.

By a combination of these provisions, and together with food-stamp assistance, the early effect of this plan will be to lift some 7,000,000 low-income people above the official poverty level of $3,400 yearly for a family of four.

But it is not my purpose to scrutinize the details of the program itself. Instead, I wish to comment briefly on the manner in which this piece of legislation was developed and presented, because I believe that we can all learn something from it. This is one of the most fundamental and significant domestic reforms which has been considered in my 13 years in the Congress. Yet we do not herald in this program with slogans which go far beyond this one bill's promise; we do not guarantee to the American people that this bill alone will still the turmoil in this Nation; we do not insure that poverty will hereafter disappear or that the program will meet everyone's need in every way. Rather, from the President on down, effective action has been quietly taken without the unnecessary bravado which, in the past, has so often come back to haunt us.

The President often has been criticized for not being sensitive to the needs of the ghetto dwellers, the rural poor, the blacks, the Chicanos, the Indians, and so forth. And, in truth, he has not made some of the ringing, sweeping statements popularized by some of our recent Presidents. But here in this bill, as is the case in such areas as revenue-sharing, educational loans, executive reorganization, and reordering of budgetary priorities, Mr. Nixon has said less but done more than his detractors seem to want to admit.

The word "meaningful" has become milked dry by so many people for so many purposes that I hesitate to use it at all anymore. But if the word continues to have any vitality at all, it does so in describing legislation such as this, for the Family Assistance Act of 1970 is truly meaningful—as an indication of this administration's concern for the disenfranchised of our society; as a reform of the outdated, inequitable, chaotic welfare system we currently tolerate; and as a method by which we can better serve, and train, and educate families in need. This is a responsible and responsive piece of innovative legislation. I salute the President for initiating it, and I salute the leaders of both parties here in the House for their expeditious and careful study of it. The adoption of this measure, coming as it does so early in 1970, might well portend this shall be the decade of hope and real accomplishment; as contrasted to the 1960's, which became, sorrowfully enough, the decade of disillusionment and unfulfilled promises.

Mr. COLLIER. Mr. Chairman, all throughout the debate and discussion of this bill for the past 2 days it has become apparent that many Members of this House would firmly support the bill, believe in the fundamental concept and principle it embraces, but understandably have some reservation about the use of the word "suitable" in determining acceptance of employment by the welfare applicant.

They indeed have some reservation—and again understandably so—about the definition, which they contend is ambiguous and perhaps might be a loophole in terms of making the program work in accordance with the intent of the committee and the legislation itself.

Therefore, I intend at the proper time to offer a recommittal motion. I shall do so as a firm supporter of welfare reform legislation. The motion in sum and substance would remove the word "suitable" as a part of the language of the bill, as well as the definition. In order to do this we would strike section 448(b)(1) of the present bill but would make certain that the labor standards as they appear in section 448(B)(2) would be preserved.

I trust in offering this recommittal motion that this will eliminate what I think is the prime objection of many Members of the House who otherwise will support this bill.

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

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

Mr. GROSS. That sounds to me a good deal like gimmickry. Why not a motion to recommit striking out the guaranteed annual income?

Mr. COLLIER. I cannot be responsible for what the gentleman from Iowa construes this amendment to be. If he thinks it is gimmickry, the fact is that he is wrong.

Mr. COLMER. Mr. Chairman, will the gentleman yield to me?

Mr. COLLIER. I yield to the gentleman from Mississippi.

Mr. COLMER. I appreciate the gentleman's graciousness in yielding to me. I do so for the purpose of asking the question that now that those in charge of this legislation have denied the Committee of the Whole here any right to amend the bill is it the purpose of the minority to insure that there cannot be a vote on this particular matter with this minor amendment here which would not give us a clear vote on that issue?

Mr. COLLIER. The gentleman from Mississippi has been in this House much longer than I have been. He is a distinguished legislator and parliamentarian. He knows full well that this procedure is entirely in order and is certainly in keeping with what I construe to be the proper and normal process of dealing with legislation in this body.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield to me?

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

Mr. BYRNES of Wisconsin. Of course, this is done under the rule. The rule provides that one motion to recommit shall be in order, and it is generally conceded in the normal concept that a motion to recommit will be with instructions. There is no variation here at all.

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

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

Mr. HAYS. I may say the gentleman stated when he began that he is a firm supporter of the bill, but he will offer a motion to recommit. Does that come in the rules?

Mr. COLLIER. It will make me a much firmer supporter with the motion to recommit adopted.

Mr. COLMER. Mr. Chairman, will the gentleman yield further?

Mr. COLLIER. I yield to the gentleman from Mississippi.

Mr. COLMER. Yes. In reply to the statement of the gentleman from Wisconsin and the gentleman from Illinois himself, yes, it is in order, but it is the purpose of this minimum amendment—and I do not want to use the word "gimmick"—to be a way of preventing an outright vote on the matter.

Mr. COLLIER. I would have to disagree. On the other hand, I would construe it to be a method to provide the means by which Members who want to support this and who believe in the concept and principle can do so by a clarification of the provision of the bill which has caused them difficulty.

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

Mr. COLLIER. I am happy to yield to the gentleman.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MILLS. Mr. Chairman, I yield such time as he may use to the gentleman from Michigan (Mr. CONYERS).

Mr. CONYERS. Mr. Chairman, I rise at this time because we believe our task is larger. Over the course of this debate no one has quarreled with the fact that the present system of welfare payments needs revision. We now will consider changes in that system when we vote on House Resolution 16311, the Family Assistance Act of 1970. This bill, embodying President Nixon's welfare reform package, is purported to be a progressive and drastically different approach to meeting the crisis of poverty in America. We appreciate the significance of the proposal and the progress that would be made in reforming the present welfare system. However, if we vote for this measure it will be while fully recognizing that it falls far short of what is needed.

The basic annual Federal allowance proposed for a family of four is grossly inadequate. This Federal payment will raise assistance levels in only eight States. Of all those who would receive payments under the plan, the Department of Health, Education, and Welfare reports that the incomes of only 301,000

families would be effectively raised above the poverty level. Is this really fighting poverty? Furthermore, nowhere in the Family Assistance Act is there a provision that would even raise gradually the payment levels to the poverty level, much less to a minimum adequate level.

We believe our commitment must be larger and more immediate. As a necessary first step we advocate that Congress set an adequate level of income for every American as a goal to be attained in the near future. Only in this way can the Government have a standard by which to realistically measure the problem and our progress toward its resolution. An adequate living income is required to guarantee the basic right of every human being—the right to life—a necessary precondition to all other constitutional, civil, and human rights. A major shortcoming of the President's categorical assistance plan is that it departs little from the social theories behind present welfare programs. We believe, on the other hand, that the Government of the richest nation on earth must insure a living income for every American as a basic right. Only such a restructuring of the basic premises of public assistance will yield a program that will meet the real needs of the poor and achieve the goals desired by Congress.

We do not believe that mandatory training and work requirements are the way to develop self-supporting independence in assistance recipients. To break the cycle of poverty, we must not only encourage meaningful employment but foster human dignity as well. The Family Assistance Act, which substitutes coercion in place of work incentives, will inevitably prove counter-productive. We believe mothers should be free to decide for themselves whether or not to leave their children and take a job or enter job training. Even so, to require job training that will lead to meaningful employment is one thing, but if there is no job guarantee at the end of the line it is another cruel hoax designed to placate critics of payments to the poor. Although House Resolution 16311 has been called a viable "workfare" plan, there has been no program for full employment instituted or even envisioned by the Federal Government. We believe the Government should supplement its public assistance programs with public service employment.

The immense and tragic proportions of poverty in America necessitates that we in Congress recognize the problem in its full dimension. We believe that our efforts now must be greater, our will more manifest, if ever we are to conquer it. The challenge we must accept is providing the strength and direction to create for each American adequate conditions in which to live and develop and so to become a fully contributing member of our society. The Family Assistance Act of 1970 does not meet this challenge.

The following Members have joined me as signators of this statement:

BROCK ADAMS, JOSEPH P. ADDABBO, GEORGE E. BROWN, JR., PHILLIP BURTON, SHIRLEY CHISHOLM, WILLIAM L. CLAY, DON EDWARDS, and LEONARD FARBSTEIN.

DONALD M. FRASER, MICHAEL HARRINGTON, HENRY HELSTOSKI, WILLIAM S. MOORHEAD, ADAM C. POWELL, MELVIN PRICE, BENJAMIN S. ROSENTHAL, and WILLIAM F. RYAN.

Mr. MILLS. Mr. Chairman, I have only one further speaker on this side.

Mr. BYRNES of Wisconsin. Mr. Chairman, this is my final speaker. I yield 5 minutes to the distinguished minority leader, the gentleman from Michigan (Mr. GERALD R. FORD).

The CHAIRMAN. The Chair advises the gentleman from Wisconsin he has 6 minutes remaining.

Mr. BYRNES of Wisconsin. I will give him all 6 at one time.

Mr. GERALD R. FORD. Mr. Chairman, I spoke at length yesterday and I am very grateful for the consideration given to me on that occasion by the Members of the House. I do not intend to take comparable time on this occasion.

However, let me say that I feel it my obligation to indicate my full support for this legislation. I honestly believe that the House has a unique opportunity today to make a major and long-overdue reform in our welfare system.

Seldom, in my 21 years in the House have I seen an atmosphere exist where you could find the high degree of unanimity from those on the left of the political spectrum and those on the right of the political spectrum who all agree on the need for change which means in this case that the existing welfare system needs to be totally abandoned.

I have yet to find a person in this body or a person in any one of the many places where I have spoken who defends the existing welfare system, not one person to my knowledge has risen to speak up on behalf of the present welfare program.

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

Mr. GERALD R. FORD. I yield to the gentleman from Oklahoma.

Mr. ALBERT. Mr. Chairman, I pride myself in agreeing with what the gentleman from Michigan is now saying. I know there are problems with the present system. The bill before us today may not be perfect, but an overwhelming number of those members who serve on the committee that has had the responsibility for this matter have reported it out and have recommended it to the House as being better than the existing system.

Mr. Chairman, I associate myself with the remarks of the distinguished minority leader is making at this time.

Mr. GERALD R. FORD. I appreciate the observation and endorsement stated by the gentleman from Oklahoma, the distinguished majority leader.

Mr. Chairman, as I was saying, we in this Congress today have a unique opportunity. We have near unanimity. Those on the extreme on the left and those on the extreme on the right all agree that we cannot defend the existing system. The existing system has been in existence for several decades, probably three, but it has been developed by patchwork. The net result has been that our everlasting tinkering has brought us a colossus that has to be scratched and when you scratch something, you have to begin with a totally new program. That was the condition faced by the new President when he took office 15 months ago. As a consequence, the President has recommended to the Congress a brand new approach to the problem of welfare.

I was honored, among many, to introduce that bill. I think that legislation is sound and constructive. It will open new paths to better solutions to the problems we want to solve.

I am delighted that the distinguished chairman of this committee has seen fit to recommend wholeheartedly this legislation.

I have talked to the President of the United States on a number of occasions about this legislation. As a matter of fact, I talked to him today about it. The President of the United States urged me to urge all of you as Republicans, particularly, to vote for this legislation. I hope that we can have on our side an overwhelming vote on behalf of the legislation.

I think it is unique that there is such strong bipartisan support for this far-reaching legislation. All of us can take credit for opening new doors to the solution of the difficult problem of welfare in America.

I simply want to state, Mr. Chairman, that if we pass this bill with the motion to recommit, I think the legislation will probably represent one of the finest legislative proposals that has come to the floor of the House during my term of service. It is my further opinion that we can all take credit for trying to solve the problem for the future which has been unsolvable up to date.

I urge as strongly as I can that all Members support the motion to recommit. It improves the legislation. And when that motion to recommit is approved, as I hope it will be, I trust that on our side of the aisle we will do everything we can, by our individual vote, to support the basic legislation recommended by the President so that we can do the kind of a job that is needed and necessary for the problem of welfare in America.

Mr. MOORHEAD. Mr. Chairman, I rise to express disappointment in the Family Assistance Act of 1970, because it falls so far short of meeting the true needs of the people.

We have waited a long time for meaningful change in our welfare system, and it is a delusion to think that the President's welfare package even comes close to meeting the problem.

At a time when billions are being spent in our military budget, in heavy subsidies to special interest groups, when the President is asking for more money for a supersonic transport, I am appalled at the scant heed paid to the realistic needs of the poor. We do have the resources to meet the social challenges in this country; it is tragic to realize that our priorities are so misplaced.

As this bill comes to us under a closed rule, permitting no amendments, those of us who have serious reservations about

the bill—and yet do not want to totally reject its limited structural improvements—simply must take this opportunity to speak out.

I have therefore endorsed the statements of my colleagues, the gentleman from Michigan (Mr. CONYERS), and the gentleman from California (Mr. BURTON) who have also asked for a larger commitment to meet this challenge, and I would ask that my colleagues here and in the Senate seriously consider the recommendations of the National Welfare Rights Organization, and those of the Committee for Economic Development, and work toward a bill that will be a more realistic response to the problem, and that will offer true reform to the people commensurate with their dignity and self-determination.

Mr. Chairman, permit me to mention some of the recommendations of the National Welfare Rights Organization which merit our consideration:

The concept of guaranteed income based on "need." They have requested a "floor" of $5,500 a year, which is the figure determined by the U.S. Bureau of Labor Statistics as the amount really needed for a family of four "just to get by." And with this, provisions for an automatic cost-of-living increase.

The request that jobs should be guaranteed first, so that job training will lead to meaningful employment and that public assistance programs be supplemented with public service employment.

The suggestion of an "emergency fund" for special needs, and a "startup" grant for those just being enrolled.

Further recommendations of the Committee for Economic Development, the research policy arm of the Urban Action Council, headed by former Secretary of Health, Education, and Welfare John Gardner endorse these principles and also recommend:

A phased takeover of State and local welfare costs during the next 5 years by the Federal Government.

The inclusion of the poor working single person and working childless couple who are not covered in this legislation.

A Federal program to assist in the construction of day care centers and to support fully the programs of day care centers enabling more mothers to work.

Mr. Chairman, because the bill does not touch on these provisions is why I say the Nixon package is a delusion and a disappointment. The only reason to support it is to create a vehicle to which true reform can be attached.

I include at this point in the RECORD for the urgent consideration of my colleagues a summary of the proposals of the National Welfare Rights Organization. These are proposals which this Congress should enact:

NATIONAL WELFARE RIGHTS ORGANIZATION PROPOSALS FOR AN ADEQUATE INCOME

The National Welfare Rights Organization is a nationwide grassroots organization of welfare recipients and other poor people. It has 350 affiliates in 48 states and more than 150 cities. NWRO is launching a nationwide campaign for an *adequate income* for every American citizen. NWRO is challenging the country to change its priorities from an emphasis on death and destruction to an emphasis on life and peace. We believe that every man, woman, and child has the right to live. We call upon our country to begin subsidizing life!

We believe a minimum adequate income for a family of four is $5500. This figure is derived from data collected in surveys conducted by the Bureau of Labor Statistics of the U.S. Department of Labor, which show how much families of four actually spend to live at a lower standard. We call upon the Federal Government to guarantee every American this minimum income.

Our plan includes the following features:

The income should be automatically adjusted for variations in size of family, costs of living in various parts of the country, and changes in cost-of-living and median family income as they occur.

Eligibility should be based solely on need, and should be based on a person's declaration of what his needs are, with spot checks as is done under our income tax system.

The system should provide a work incentive by permitting recipients to keep ⅓ of their earnings.

Recipients should be entitled to a fair hearing prior to the termination or reduction of benefits. The hearing should take place within fifteen (15) days of the application for appeal. Special grants should be provided for recipients to obtain lawyers or other advocates.

The regulations pertaining to rights and entitlements under this system should be public information. Simplified versions should be distributed to every recipient and potential recipient.

Persons eligible for these benefits should be entitled to *free medical care, legal services,* and *day care* facilities of a high quality in the neighborhoods where they live.

Other services to the recipients should be on a completely voluntary basis, administered by agencies separate from those administering the guaranteed income payments. Example of these are: family planning, homemaker services, family counseling, child welfare, etc.

Special grants should be available to take care of all emergency or unusual situations. These would include grants for clothing and furniture to bring the recipient's household up to minimum standards of health and decency at the time they come under the program. Replacement costs would be provided in case of fire, flood, or substantial change in circumstance.

A recipient should have the right to choose between a flat grant or an itemized assessment of his needs, taking into account actual cost of housing, transportation, clothing, and other special requirements he might have. This would be similar to the income tax system where an individual may either itemize his deductions or take a standard deduction, depending on which method of benefits suits him more.

TABLE I.—NWRO PROPOSED ADEQUATE INCOME DETAILED BUDGET FOR FAMILY OF FOUR

Category	Cost per— Year	Month	Week
FOOD			
This allowance is a total of the BLS moderate budget cost for food-at-home ($1,999/yr., $166/mo., $38/wk.) and the BLS lower standard for food-away from home ($238/yr., $18 mo., $5/wk.) The latter includes stacks, school lunches, etc.	$2,237	$186	$43
HOUSING			
These costs represent the BLS lower standard's costs, updated to spring 1969 levels. They are meant to cover all supplies and furnishings for the home and its operations including telephone and postage. Rental costs ($1,108 yr., $92/mo.) include all items like gas, elec., and water.	1,402	117	27
CLOTHING AND PERSONAL CARE			
The items in this budget, shampoo and yard goods as well as clothing and clothing care are unchanged from the BLS lower standard. The cost has simply been updated to spring 1969 levels.	$784	$65	$15
MEDICAL CARE			
Dental, eye care, and nonprescription drugs are included here. BLS consideration of doctor and hospital care has been omitted, as explained in the text. There is no provision for appliances and supplies.	312	26	6
Transportation. Includes schoolbus rides and all other use of public transportation by noncar owners.	484	40	9
Other. Reading, recreation, and education comprise about ⅓ of this category. There is no provision, according to the BLS study for club membership dues, hobby expenses or the acquisition of musical instruments.	322	27	6
Total	5,541	462	106

WHERE THE BUDGET COMES FROM

Table 1 outlines the adequate income proposal. It is based on the Bureau of Labor Statistics "Lower Living Standard Budget". This is the Labor Department's "lower standard for the maintenance of health and social well being, the nurture of children and participation in community activities."

We reject the income level in the Nixon Family Assistance Plan. At worst it allows a family of four $1600 a year. At best it would continue the present inadequate welfare system. The ceiling of benefits would be at the Poverty Line, now $3720 a year for a family of four.

The poverty line is based on the U.S. Department of Agriculture's Economy Food Plan which, according to the Agriculture Department, "is *not* a reasonable measure of basic money needs for a *good* diet." USDA points out that "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."

Under the Nixon Plan, states will have no incentive to raise grants above this level. The Economy Food plan used in the poverty line and the Nixon bill allows a person to survive, according to the Department of Agriculture, with adequate nutrition "for short emergency periods of time and only under very special circumstances."

The so-called "low income poverty line" is based on the USDA's "low-cost food plan." It sets an income of approximately $4650 a year for a family of four. Government surveys show, however, that only one fourth (¼) of the families with food budgets equivalent to the low-cost food plan actually have nutritionally adequate diets.

The NWRO adequate income budget, therefore, uses the USDA "moderate food plan" which would insure the average family an adequate diet. NWRO contends that provid-

ing adequate income is the only sure way to combatting hunger in America.

The adjusted budget excludes the basic costs of hospital and doctors care since it is assumed that free medical care would be available through national health insurance or Medicaid or some other program. It should also be noted that this budget includes no money for cigarettes (regarded by BLS as a health hazard), non-prescription drugs or medical supplies, out-of-town travel, long-distance telephone calls, dry cleaning, or use of a laundromat.

TABLE II.—1969 MINIMUM ADEQUACY BUDGET COMPARISON OF MAJOR CITIES[1]

City	Index	Adjusted Bureau of Labor Statistics budget
United States:		
Urban average	100	$5,541
Metropolitan	101	5,596
Nonmetropolitan	94	5,209
Atlanta, Ga	96	5,300
Austin, Tex	90	5,000
Baltimore, Md	98	5,400
Boston, Mass	105	5,800
Cincinnati, Ohio, Ky., Ind	96	5,300
Chicago, Ill., Ind	103	5,700
Cleveland, Ohio	100	5,500
Dallas, Tex	96	5,300
Detroit, Mich	100	5,500
Honolulu, Hawaii	120	6,600
Kansas City, Mo., Ky	101	5,600
Los Angeles, Long Beach, Calif	107	5,900
New York City, N.Y., N.J	101	5,600
Orlando, Fla	93	5,200
Philadelphia, Pa., N.J	99	5,400
St. Louis, Mo., Ill	101	5,600
San Francisco, Oakland, Calif	110	6,100
Seattle, Everett, Wash	111	6,200
Washington, D.C., Md., Va	103	5,700

[1] Computed from the Bureau of Labor Statistics lower standard budget, as described in the text.

The budget is based on statistical averages and is subject to 10% per variations depending on the locality. The range runs from $5209 in most non-metropolitan areas to $6649 for Honolulu. The budget for several cities are estimated in Table 2.

The NWRO budget has been updated to Spring 1969 prices. Inflation has caused a 9.4% increase in the cost of living since BLS computed the cost of living in 1967.

The importance of continued recognition of special needs and of providing alternate ways of meeting needs, either through the adequate income (flat grant) or through individual consideration (computations), is important for two reasons:

1. BLS assumed in establishing the budget that the family had been established for fifteen (15) years and had an accumulated stock of clothing and furniture. The budget was intended only to cover replacements. This assumption does not apply to the average family in poverty. This is why we are asking for special grants for wardrobe and furnishings to bring persons up to minimum standards for health and decency.

2. The budget is based on statistical averaging formulas which do not necessarily apply to real people or real situations. For example, an individual family of four may or may not be able to obtain adequate housing in good condition at the $92 a month rent that the budget allows, even if that happens to be the average for the city in which he lives.

Similar arguments can be applied to transportation costs, where the transportation quantity for school children in the BLS budget was less than the number of days in the school year! This is because it was an average amount children who rode to school and those who walked. It can be assumed that some families would be over in one category and under in another. These statistical differences may not always average out in any given family. If a family has greater need in a number of categories, they should have the option of itemizing their family budget, and applying for a grant that meets the actual needs that they have.

Table 3 gives the minimum adequacy budget for various family sizes.

TABLE III.—MINIMUM ADEQUATE BUDGET—ADJUSTED BUREAU OF LABOR STATISTICS BUDGET[1] BY FAMILY SIZE

Family size	Year	Budget	
		Month	Week
1	$2,000	$167	$38
2	3,500	292	67
3	4,500	375	87
4	5,500	458	106
5	6,500	542	125

[1] Family of four budget computed from the Bureau of Labor Statistics lower standard budget and as described in the text. Budgets for other family sizes are designed to provide adequate income and prevent families from breaking up.

Note: $1,000 per year for each additional family member. Under the NWRO work incentive a family of four will receive benefits up to $10,000 if it receives earned income.

HUNGER

The elimination of hunger in the United States requires that every citizen be assured an adequate income. Poor people know better than anyone else that the hodge-podge of programs set up by the Department of Agriculture are welfare programs for farmers and the food processing and distribution industry. They are not designed to serve the needs of poor people. Welfare programs which exclude people for reasons other than need and which do not provide adequate income are a basic source of hunger and malnutrition.

The Nixon Plan claims that the food stamp program will add about $800 to recipients annual budgets but only about 38% of welfare recipients currently receive stamps according to an Agriculture Department Report dated January 1970. Recipients cannot afford to participate in the program because the stamps are not free. In the winter this means a recipient has to postpone buying warm clothing of paying a heating bill in order to buy food stamps. While the program is "voluntary" recipients are frequently made to feel obliged to buy food stamps.

The surplus commodity program cannot provide enough of the right kind of food and is operated so cumbersomely that recipients must queue up at a specified time and place or lose their food until the following month.

Both these programs brand recipients as poor people giving them bits of colored paper or marked items that single them out from other people. The best food program is money.

The solution to the problem of hunger and malnutrition is for every citizen to be guaranteed an adequate income to meet his basic food and other needs. Therefore, the money directed toward giving bonuses in food stamps could better be redirected toward providing a more adequate basic income for poor people.

WELFARE REFORM

Much has been said and written about the inadequacies of our present welfare system. Much has been said about the inadequacies of the President's so-called welfare reform. As we press toward an adequate income much can be done to improve the welfare system and the Nixon Plan NOW!

1. Adequate income goals: The bill should set an adequate income goal based upon the NWRO $5500 standard.

COMPARISON OF FOOD BUDGETS—FAMILY OF 4—JUNE 1969

	Per year	Per month	Per week	Budget based on this food plan	Annual budget for plan
USDA moderate food plan	$2,288	$191	$44	BLS moderate standard budget.	$7,813
				NWRO minimum adequacy budget.	5,500
USDA low cost food plan	1,778	148	34	BLS lower standard budget	5,285
				Social Security Administration low-income line.	4,650
USDA economy food plan	1,300	108	25	Social Security Administration poverty line.	3,720
				Nixon family assistance plan	1,600
Food Stamp program	1,272	106	24	Food stamp recipients	
AFDC allowance for food	820	68	16	AFDC average State budget	2,460

2. Higher Federal income floors: The bill should provide a federally guaranteed income floor closer to the $5500 standard. Food stamp allotments could be converted toward raising the cash floor.

3. Time table to reach adequate income: The bill should provide a time table for reaching the adequate standard at the earliest possible date.

4. Emergency grants: The bill should provide for emergency grants to take care of special or unusual situations that poor people have because of the conditions they are forced to live in.

5. Cost of living adjustments: The bill should require annual cost of living adjustments for all federal or federally regulated assistance programs. It should prohibit states form eliminating special grant programs when this would have the effect of circumventing cost of living adjustments. State supplements must be based on state payment levels which reflect required cost of living adjustments as mandated by Section 402(a)(23) of the 1967 amendments.

6. Broadened coverage: Coverage should be extended to *all* persons (including single persons, childless couples and elderly persons) whose requirements fall below the benefit level.

7. Simple Federal administration: The bill should provide direct, unitified federal administration for all programs including aged, disabled and blind.

8. No forced work for mothers: All mothers must be exempted from requirements to accept work or training programs. The right to day care and the mother as judge of adequate day care should also be made clear.

9. Job standards: Work requirements for men must be regulated by strict national standards including minimum wage protection and fair labor standards at least equivalent to those used in unemployment insurance. First priority for jobs and training should be given to all those who volunteer.

10. Rights of recipients: Recipients must be given a clear explanation of their rights under the program. Recipient organizations must be recognized as parties in legal action and be given copies of all regulations and procedures issued under the Act.

Mr. BENNETT. Mr. Chairman, it has been repeatedly said here that today's existing welfare program is heavily criticized. This is true. But most of the criticism is that the present program is too expensive; and further that it benefits people who will not work, who are able to work.

On the first point, not even the most ardent supporters here have suggested

that the legislation will cost less than the present program. The official report on the bill indicates, at page 43, that the cost will be at least $4.4 billion more than the present program, on an annual basis. Authorities have suggested that the increase in costs is probably nearer $10 billion a year; and one has suggested a figure of $14 billion additional each year. Even the most ardent friends of the bill admit that its passage will require increased Federal income taxes.

On the second point of criticism of the present welfare program, the prospect of the legislation before us is not all bright, nor all gloom. On the bright side, it will not require a man to leave his family to get welfare benefits; and that should provide a beneficial thrust toward holding families together. Yet, it has been acknowledged repeatedly in this debate that there is also a thrust in the opposite direction, by this legislation toward splitting families because of the permission under this legislation for a family to split itself in two and then draw full benefits as two separate families. To this extent the bill would provide a financial incentive for families to split. The legislation would also seem to give a financial incentive for a single man of low income to marry and beget children for this would provide him a Federal check not otherwise available, whether he was ever employed before or after establishing a family.

The greatest weakness of this legislation is that it tends to equate job training with job placement. There is nothing in the bill that would require anyone to work in fact; and it certainly cannot be termed a job producing type of legislation. H.R. 112, introduced by me on January 3, 1969, and referred to the Ways and Means Committee would produce the type of jobs that are needed among poor people today. It would provide a tax incentive for employers, hire persons among the hard-core unemployed. I have introduced another bill which seems to me to offer better answers than the legislation before us today, and at a much smaller cost. I refer to H.R. 13081, introduced on July 24, 1969, and referred to the Committee on Ways and Means.

I appeared before that committee on October 21, 1969, and in my testimony for that bill I summarized as follows:

Finally, H.R. 13081 would encourage employment among the needy and provide job opportunities. Most people would prefer doing constructive work to being on relief and my bill helps in two ways. First. it provides that any individual receiving welfare assistance, financed in part with Federal funds under the Social Security Act shall not, because of earned income, have his welfare payments reduced by a greater percentage than $1 reduction for every $2 earned. Secondly, the bill authorizes the Secretary of Labor to create a register of individuals who have not been successful in finding employment. City and State governments and Federal departments and agencies would have the right to petition the Secretary of Labor for manpower from this pool. The Federal Government would in each case pay the minimum hourly wage for the work done.

It has been several times said here by members of the committee that Congressmen have not come forth with better suggestions than the bill before us. I think I have done so; and I think such remarks coming from the committee are not very persuasive in view of their request and attainment of a rule which precluded even the tiniest of amendments.

Mr. BEVILL. Mr. Chairman, I have followed the debate of the past 2 days on H.R. 16311, The Family Assistance Act of 1970, with great interest. The distinguished chairman of the Ways and Means Committee has, as usual, developed some very strong arguments in favor of this legislation.

I agree with the Members who have argued for reforms in our present welfare system. Without question, there must be change. But while this bill offers a number of highly desirable changes, I have some very serious reservations about the guaranteed income provision.

I am concerned that the institution of a guaranteed income may open the floodgates to revolutionary innovations which could all but break the back of the already overburdened American taxpayer.

It is my understanding, Mr. Chairman, that this legislation would add at least 15 million new people to the welfare rolls, at a cost of at least $4½ billion a year.

This is at the beginning. The program is sure to grow and cost more.

While I favor the overall thrust of the bill, namely to provide benefits to families in need in a manner that will encourage employment and family stability, I question whether H.R. 16311 will accomplish this.

Independence and self-sufficiency have long been the hallmark of the American family. Guaranteed handouts from the Government can only undermine the motivation of young people who are reared under these conditions.

I agree with my distinguished colleague from Georgia, (Mr. LANDRUM) that this bill puts the benefits in this order: Cash, food, and work.

What we need to do is turn this around and put work first and cash last.

Mr. Chairman, I cannot, in good conscience, vote to levy additional taxes on the American taxpayer in order to guarantee an income to any person who simply will not work. And I am afraid that is what would happen if we passed this bill in its present form.

I submit, Mr. Chairman, that this bill is too far reaching, too revolutionary, and must be modified. I would like to see some of the provisions become law. But I favor striking out the guaranteed income provision.

In my judgment, what this country needs most at this time is a reduction in spending and an intensive effort by the administration to lower interest rates.

Mr. HANSEN of Idaho. Mr. Chairman, I rise to call the attention of my colleagues to the child care provisions of the Family Assistance Act of 1970. There is a growing awareness of the need to provide child care services as a means of encouraging mothers of small children who can and want to work to move from the welfare rolls into productive employment. There is also a growing recognition of the value of providing a wholesome atmosphere to stimulate the child's physical, emotional, and intellectual growth and development.

The Select Education Subcommittee under the chairmanship of the gentleman from Indiana (Mr. BRADEMAS) has concluded lengthy public hearings on child development legislation. I am confident that we will soon report a bill that will be the product of an effective bipartisan commitment to provide services that are truly responsive to the needs of children in the preschool years. This will be landmark legislation in every sense of the word. The services to children provided in this bill will supplement and complement the services provided in the Family Assistance Act.

Mr. Chairman, in order to answer some questions the Members of the House may have concerning the operation of this part of the bill before us, I include as a part of my remarks a series of questions and answers furnished to me at my request by the Office of Child Development of the Department of Health, Education, and Welfare:

QUESTIONS AND ANSWERS ON THE CHILD CARE PROVISIONS OF THE FAMILY ASSISTANCE ACT OF 1970

1. Question: What are child care services?

Answer: Child care services include the funding of care for the child in his own home, in a family day care program, or in a group day care program. It includes care both for preschool children and for school-age children during the summer, on school holidays and before and after regular school hours. HEW would propose to limit such care to children under the age of 15 except in special circumstances when an older child requires protective care (i.e., mentally retarded children, or handicapped children). There would be no minimum age limit. The length of program for a child will depend on the needs of the parent—it may be only a few hours a day or as long as 10 to 12 hours a day—it may be provided during night time hours as well as during the day. Child care services aim to provide activities that contribute toward the intellectual, physical, social and emotional growth and development of the child.

2. Question: Who is eligible to receive child care services?

Answer: Child care services may be provided for the following families:

(a) Those which have registered for employment or training under the provisions of Part D of Title IV as added by the Family Assistance Act.

(b) Those which are receiving supplementary financial payments from a state pursuant to Part E of Title IV as added by the Family Asssitance Act.

(c) Those which had formerly received benefits under Part D or Part E.

(d) Those with an adult family member referred pursuant to Section 447(d) of the Act to participate in vocational rehabilitation.

(e) Those which are receiving AFDC payments prior to the date when Part D becomes effective for a state.

In each case, the family is eligible only if the purpose for providing child care is to better enable an adult family member to engage in training, to take employment, to continue employment or to participate in vocational rehabilitation. HEW would intend to permit continued child care for short periods of time if the parent is ill, seasonally unemployed, temporarily layed off, or unemployed but actively looking for work. The Secretary is authorized to limit

the length of time which an individual may continue to receive child care after they are no longer eligible for benefits under Part D or Part E.

3. Question: Who may receive funds for child care?

Answer: Funds may be provided either in the form of direct grants or contracts to any state or local public agency or non-profit private agency or organization, (only contracts may be arranged with a private-for-profit agency or organization) or through grants to any public or non-profit private agency which is designated by the appropriate elected or appointed official or officials in the area. A capacity to work effectively with the manpower agency is required. HEW would propose to establish criteria for use in determining the competence of organizations to carry out a child care program. Equal consideration would be given to all types of agencies as operators of child care service programs. HEW *would* give preference as to prime grantees to those organizations which either were themselves or were a part of coordinated efforts to deliver day care and preschool services (for example, the Community Coordinated Child Care—4-C—Program). This preference follows the philosophy of the statutory provisions found in Title V–B of the Economic Opportunity Act which mandates the Secretary and the Director of the Office of Economic Opportunity to establish mechanisms for coordination at the local level. On the other hand, the absence of a coordinating mechanism would not be a bar to funding public or private agencies.

Grants could be made to employers, labor unions or combinations thereof. HEW would consider them as eligible grantees but would not give them preference over other public and private agencies.

Child care funds could not be given directly to individuals. It would, however, be possible to give grants or contracts to an intermediary organization which would provide an intake and referral service to parents assisting them in selecting among the many existing child care services in a community. In such cases the intermediary organization would then provide child care through the issuance of a voucher to, or the making of payments on behalf of the parents, to the service provider.

4. Question: What may be funded as a part of child care services?

Funds may be provided to carry out a program of daily activities, to provide transportation, to provide food for use in the program, to provide necessary supplies and materials, and to provide for medical and dental examinations and for referral and follow through with health care agencies. Treatment costs may be funded in the absence of other funds to provide for remedial health care and where it is determined that the absence of such care will adversely affect the ability of the child to participate in the program. Funds may be provided for all personnel costs and for the training of personnel. Funds may be provided for administrative costs necessary for operation of the program. Funds are also available for alterations to buildings, remodeling and for renovation. Funds are available for rent. Funds are NOT available for new construction.

HEW would plan to apply the standards developed under Title V–B of the Economic Opportunity Act (Federal Interagency Day Care Requirements) to the funding of programs under the Family Assistance Act. This is consistent with the requirements of Title V–B of the Economic Opportunity Act that standards be as uniform as possible among day care program.

5. Question: What proportion of total cost will HEW pay?

Answer: The Federal Government will pay up to 100 percent of the total cost of child care programs.

6. Question: Are families required to pay a portion of the cost of day care?

Answer: The law authorizes the Secretary to require families to pay for part or all of the costs of services in such amounts as may be reasonable in light of the family's ability. HEW would propose that no fees be charged when the individual is in a training status or in his first three months of employment. A sliding scale of payments would be developed for those individuals who have entered into employment. This sliding scale would take into account the relationship between income and family size. It would permit recognition of special factors such as unusual medical expenses which make it difficult for a family to pay for day care. The costs which the family pays itself are excluded from their income in calculating their eligibility for assistance under the Family Assistance Program.

7. Question: What role will the state government play in the administration of the program?

Answer: State agencies may be the grantee for child care funds in those situations where they are in the best position to provide for child care services. HEW will require that all child care programs meet the licensing requirements of the states. HEW will contract with state agencies to provide technical assistance to grantees to help the latter to meet licensing regulations. HEW would also propose to use state agencies under technical assistance contracts to assist grantees to improve their programs.

8. Question: Will funds be available for training and technical assistance?

Answer: There will be funds available for training and technical assistance. These funds may be provided in the form of grants to any public or private (including for-profit) agency or organization. HEW would propose to use training funds for all categories of personnel involved in the provision of child care services; for career development in the case of nonprofessionals, and for graduate level training in the case of those individuals who have supervisory or leadership potential. HEW will also propose to use these funds for the training of evaluation and research personnel.

9. Question: Are funds available for research or demonstrations?

Answer: Funds are available for research and demonstration projects to public and private (including for-profit) agencies or organizations. HEW would propose to coordinate research and demonstration funding under this authorization with research and demonstration funds available under the Head Start program, Section 426 of the Social Security Act and other Federal authorizations administered by the Department.

10. Question: When a family is required to pay a portion or all of the cost of child care, may such cost be deducted from earned income?

Answer: The Secretary may prescribe regulations which permit a family to deduct all or part of such costs from earned income. HEW would propose that the full cost of such care be deductible provided that the costs do not exceed those which the Federal Government would finance under the Federal Interagency Day Care Requirements.

11. Question: How will grants be made?

Answer: Agencies designated as applicants for child care grants will file an application with the appropriate HEW Regional Office of Child Development. Where a community has established coordination mechanisms, priority will be given to those applications for operation of child care service programs which have the approval of the coordinating organization. Where no coordinating agency exists, grants will be made on the basis of the quality and cost of the program proposed by each applicant.

12. Question: What do the words "renovation" and "remodeling" mean?

Answer: The legislation gives no definition of these terms. HEW would propose to give them a very broad interpretation, but would exclude purchase of land or construction of a new building. Minor additions to a building which did not involve an increase of more than 20 percent in the size of the building would be included in the definition of renovation and remodeling. Remodeling and renovation funds would be available for both family and group day care facilities.

13. Question: How much money is available for child care services?

Answer: The law authorizes appropriation of such funds as are necessary to carry out the purposes of the Act. It also requires that the Secretary shall make provision for the furnishing of child care services for so long as he deems appropriate to persons who, pursuant to registration under Section 447, are participating in manpower services, training or employment. Funds are expected to be available in sufficient amounts to ensure that child care services are available to eligible recipients.

14. Question: May the Secretary of Labor provide day care services?

Answer: The Secretary of Labor has authority to provide child care services in support of manpower and training programs under his jurisdiction. However, he must obtain the concurrence of HEW with regard to policies to be used in administering such child care programs. HEW would recommend that the Secretary of Labor provide child care service only in exceptional circumstances and that, in such cases, the Federal Interagency Day Care Requirements be fully applicable.

15. Question: What will happen to day care provided under the Work Incentive Program?

Answer: The Work Incentive Program will be repealed at the time the new Family Assistance Program becomes effective. During the interim period, day care may be provided under the Family Assistance Act in lieu of day care provided under the WIN program. The time at which this transition will be made will depend upon the availability of appropriations.

16. Question: What will happen to day care funded under Parts A and B of Title IV of the Social Security Act?

Answer: States may continue to fund day care programs under Parts A and B of Title IV subject to the policies and regulations presently in effect. It will usually be financially advantageous, of course, to provide such care under the Family Assistance Act rather than Title IV. There are, however, individuals who may not be eligible for services under the Family Assistance Act but who would qualify under the provisions of Title IV. This would be particularly true in the case of potential recipients.

Mr. FISHER. Mr. Chairman, I am opposed to the pending bill. It is being projected as a welfare reform measure, but in reality it would place 3 million additional families on welfare. A total of 15 million would, in one fell swoop, be added to the relief rolls.

The claim is made that such beneficiaries would be expected to apply for work, take job training if necessary, and accept suitable employment. But that requirement is so riddled with loopholes that in my judgment it is rather meaningless.

A highly objectionable provision would guarantee an annual income in the amount of $1,600, along with $800 per year in food stamps, for families of four.

Let us recognize this fact: Once this concept of a guaranteed annual income is given congressional approval, it will become a part of our welfare way of life. There will be no turning back. The pressures will be on to constantly increase the $1,600 base guarantee. Already

the Americans for Democratic Action—ADA—is demanding $5,500, and so are the professional welfare organizations.

Now, what about the added cost, and where is the money coming from? Proponents estimate that initially the cost will increase by $4.4 billion, which is admittedly conservative. We must be prepared for two or three times that amount—in addition to what welfare is now costing. Does this mean an increase in taxes to the tune of an additional $5 billion or $10 billion per year? If not, then what about the inflation that will result from deficit financing?

Mr. Chairman, this administration bill should be defeated. Let us help the deserving but let us deny any welfare to those who are able bodied and refuse to work when employment is available.

Mr. McCLOSKEY. Mr. Chairman, I have voted for H.R. 16311 today, the Family Assistance Act, but with some reservations, and with a particular regret that the closed rule did not permit us to offer floor amendments.

The most persuasive argument for this bill is that it provides an incentive for people to get off the welfare rolls and out of poverty.

I think the bill, however, also includes an indirect incentive to remain in poverty, that being its provision that the impoverished family will be allocated an additional $300 per year for every child they bear.

It has been recognized that high birth rates among the poor are not merely a result of poverty; they are also a cause of poverty. Reports by the Census Bureau and other organizations indicate that poor families have a disproportionate number of children relative to the resources at their disposal for raising and educating those children in a manner which would increase their chance for moving out of poverty. Additional children can cause a nonpoor family to drop below the poverty level.

It thus seems inappropriate in this bill to pay an additional $300 per year for each child an already impoverished family may have. It would be hard to concede this is anything but an incentive to continue bearing more children at a time when the impact of our population explosion is pushing us into both high expenditures and urgent concern for slowing if not halting population growth.

It was only a month ago that the President signed into law the population commission bill, directing a study of appropriate methods of achieving proper population levels.

Had an open rule been granted it was my intention to offer a general amendment to H.R. 16311 limiting the number of children to be included as family members to those children born before December 31, 1971, and to no more than two such children born thereafter. Such amendment would read as follows:

Certain Additional Children Ineligible

(f) Notwithstanding any other provision of this part or part E, no more than two children who are natural children of either or both of the parents in the family and who were born after January 1, 1972, shall be included as members of the family for purposes of determining the family's benefits under Section 442(a) or the amounts of such benefits under Section 442(b).

In my judgment, Mr. Chairman, it is essential that the U.S. Government make a firm declaration of national policy that family sizes will have to be voluntarily limited if we are to preserve our environmental quality.

With the dawning realization that unlimited population growth can destroy both the environment and quality of life on this planet, it seems of doubtful wisdom to pass any law at this stage in history which includes encouragement for large families. It may be that after the new population commission has studied the problem, it will recommend that American population can increase 1 or 2 percent per year without endangering our national goals and way of life. If so, we may then have the luxury of returning to government laissez-faire with respect to family size. Recognizing, however, that the children born today or which will be borne under the encouragement of the bill before us, will have the same inalienable rights to life, liberty, equal protection of the law and the pursuit of happiness that we do, it seems worthwhile to suggest a moratorium until we have more knowledge on the question as to how many people can survive comfortably on this earth.

I appreciate that my remarks do not affect the passage of this bill under the closed rule, but would like to record my position at this point in the RECORD in the hope that it will furnish a basis for further reflection by the Congress on this point in the months ahead.

Mr. DENNEY. Mr. Chairman, H.R. 16311, the proposed Family Assistance Act of 1970, is significant because it proposes—for the first time in the history of this country—that the Federal Government guarantee an income to American families, regardless of their productive abilities or inclinations. In addition to substituting the family assistance program for the present AFDC program, this proposal would make substantial changes in three other existing Federal-State programs—aid to the aged, aid to the blind, and aid to the permanently disabled. These three programs would be combined into a single adult assistance program.

The Ways and Means Committee report on H.R. 16311, indicates that if the family assistance plan had been in effect in calendar 1968, the Federal costs of benefits payments would have been $3 billion greater than the cost of the existing AFDC program. Even though H.R. 16311 would still require large expenditures of State funds, the bill would leave very little State or local control over welfare programs.

Americans long ago accepted the idea of helping those who truly need help and cannot help themselves. But, we have not as yet ever endorsed the idea that the Government should pay welfare to those already working. Once this principle is established in law, the only distinction between those who pay taxes and those who claim them is some arbitrary, Government decreed income level. And as this level is raised, proportionally fewer and fewer people will be paying higher taxes to support more and more welfare recipients. It is argued that a nationwide Federal minimum will eliminate the present differentials in AFDC payments and curb the incentive to migrate to those States which provide larger payments. In my opinion, the proposed Federal minimum will not eliminate these differentials, but the objective is unsound anyway because available studies show that the growth in AFDC in certain States was not caused by a large migration of people just to get on welfare. So, contrary to popular belief, the facts show that better welfare benefits have not caused migration and, therefore, this is not a valid basis for creating a Federal minimum standard.

Even granting the merits of the proposal, the Federal budget is not in shape to accommodate the cost of this new legislation. And it is seriously questioned whether the budgets of future years will be able to meet the rising costs of this welfare expansion program. The proposed budget for 1971 is extremely tight. It appears to me that unless we are willing to tolerate another wave of inflationary deficit spending, some additional taxation will be inevitable.

The objectives of the provisions relating to those unable to support themselves through their own efforts—the aged, the blind, and the completely disabled—are reasonable and sound. Meeting their needs is a responsibility of all—and financing the costs should be shared by all taxpayers through the Federal, State, and local government.

A constructive approach would be to pass legislation that will help those who need it most. There is justification for improving welfare aid for the aged, the blind, and disabled, and the families with dependent children, where the father is either unemployed or absent. And also for providing occupational rehabilitation for those who are able to benefit from it. Congress could accomplish this by eliminating that part of H.R. 16311 which authorizes a guaranteed income for families with working fathers. That would direct help where the help is needed.

Mr. TUNNEY. Mr. Chairman, it is indeed a tragedy that in this country of affluence that there still exist in our midst over 45 million persons living below or near poverty conditions. Yet it is a greater tragedy that the legislatures in our Nation have not been able to produce an adequate welfare program that can deal constructively with the problems of our poor.

It is obviously that the existing welfare program has failed miserably in its intended goal of reducing the numbers on welfare rolls and putting such recipients successfully back into the labor force. The participation rate in AFDC is rapidly increasing, and if costs rise at the present rate they will have doubled by 1975. This is indicated by the fact that in the last 15 years the number of children receiving assistance has increased 100 percent—from 30 per thousand in the population to 60 per thousand.

The AFDC has also failed in its basic system of paying bonuses to families that break apart. The existing program principally aids female-headed families with no provisions to assist families headed by fathers working full time for substandard wages.

There are also in this program unjustifiable inequities among various States and regions in our country. Reflective of this is the huge discrepancy between the lowest funding for a female-headed family of four—being $45 per month—and the highest benefits—$263 per month.

Another failure of the present system is seen in its built-in incentives to encourage a person to actually quit work. One of its major requirements is that the family have no working male head. In light of the rapid growth of participation rate and cost, encouragement of family breakup, State inequities, and the negative approach toward work, I feel there is an immediate necessity for the passage of this welfare reform bill.

Although there are definite and severe inadequacies in the proposal I find it a necessary and progressive move toward a workable solution to present welfare problems.

The proposed major accomplishments of the family assistance plan would blend strong work requirements with firm work incentive. It would treat the female head of the family on an equal footing with the male. Furthermore, there would be established a national minimum payment combined with national eligibility standards as well as major fiscal relief for the States. Of prime importance to the bill is the planned major expansion in job training and child care facilities for the working poor. Additionally, the bill proposes an increased national minimum payment to the aged, blind, and disabled.

The family, under this program, would receive assistance benefits in the form of Federal payments. This would include all families with children having an earning ceiling of $3,920, for a family of four, and most importantly this would include the working poor. To facilitate the Federal funding there would be established nationwide uniform eligibility standards. Most able-bodied adults would be required to participate in work registration or lose benefits. The family with no earnings would receive $500 for each of the first two members and $300 for each additional member thereafter. The family earning an income would have no reductions of benefits for their first $720 and 50 cents off benefits for each additional dollar earned. This would be an improvement over the present system, as it would include more working heads of families in need who could possibly become self-sufficient.

The States would be required to supplement Federal assistance benefits up to the AFDC payment levels, or poverty level—whichever would be lower. There is no supplementation of the working poor required, and Federal matching would provide for 30 percent of the State payments up to the poverty level. Under the current system there exists a huge burden on the States and this reform proposal encourages a more fully federalized system of funding which lifts some of the burden from the States, who are so often unable to provide adequate benefits.

Of prime importance in this bill is the increased attention given to the aged, blind, and disabled. The bill proposes to require the States to assure a minimum income of $110 per person each month. In addition there would be Federal matching of 90 percent of the first $65 of the average benefits, and 25 percent of amounts above that. Because these proposals would be combined with national eligibility standards as well as resources ceilings and earnings incentives, I feel such assistance to this particular group of recipients is extremely necessary, although still not adequate.

The family assistance program offers certain work incentives which in itself is not a new principle. This program, however, extends the principle and makes it more effective. There would not only be a $30 minimum monthly training incentive, but also a $60 monthly cost-of-work disregard. Training for decent, acceptable jobs with a 50-percent retention of earnings is certainly a broader incentive plan than we are currently experiencing. Certain training expenses as well as transportation costs that would be reimbursed plus supportive services to encourage continued employment seem to me additional feasible incentives to participate in the work training program. Most importantly, however, the mother would be given a greater opportunity for successful employment by the establishment of quality day-care centers. This last proposal opens up a grand potential in the poverty struggle; and it is in this area that I feel the family assistance plan is not sufficiently developed.

There are specified work requirements that function with the incentive program. Training—with mandatory registration of recipients at a local employment office—and employment are compulsory for benefits, and there is required a referral of family assistance recipients with physical or mental disabilities for vocational rehabilitation.

Such are the major propositions of the family assistance plan. Recognition of the fundamental problem areas is adequate and I support any efforts in such a basic direction. I wish to emphasize, however, that this plan should be only the beginning of a massive awakening to our welfare programs and treatment of the poor. I agree that the Federal Government should provide minimum income standards for those unable to work. Similarily, able-bodied adults—of which 80,000 males are currently on the welfare rolls—should be given remedial education, training, and jobs. It must be remembered that mere funding does not guarantee wise application of dollars by the recipient. Mandatory training and work requirements are not the sole channel through which incentive will develop; the job, income, and living conditions of the breadwinner and family must also foster human dignity. For this reason, I wish to express my serious concern over the stifling effect of the inadequate income offered to the recipient, the lack of an effective job placement program, and the undeveloped potential of the day-care center program.

The U.S. Bureau of Labor Statistics has not employed an objective standard of determining the genuine need for a family's minimum expenditures on decent food, clothing, and shelter. The Department of Labor, however, has offered $5,500 a year as a standard income needed for a family of four. Interestingly enough, American citizens have responded to nationwide poll questions establishing a minimum need at $6,240. It seems ludicrous that the family assistance program should construct a minimum level of $1,600 for the same family, and a ceiling of only $3,720. Thus, a four-member family receiving the highest assistance benefits would barely creep over the official poverty line of $3,552 per year. The program should also contain a provision for automatic cost-of-living increases, now rated at 6.2 percent each year. If a family is to help itself up the social and economic ladder, it certainly must be able to afford decent living conditions. I feel there must definitely and as immediately as possible be additional legislation furthering this goal of placing each American family above the poverty line.

Second, if a job training program is offered it is totally unrealistic to assume it a function of the work-incentive principle unless participants can be guaranteed a decent job at the conclusion of his training. What kind of incentive can there be in a program that could possibly force a person to do menial labor at substandard wages? And what measure of assurance is there regarding continued employment if the worker cannot even find meaningful satisfaction in his labor? Inclusion of the working poor is a revolutionary step in our welfare efforts, but success in raising the self-sufficiency and independence of the worker will not be achieved unless more adequate job placement programs are developed.

Third, I would like to suggest extended and varied use of the day-care programs. Six billion dollars—accommodating only about 500,000 children—has been sanctioned for such centers but truly effective utilization of them requires more funding and attention.

Quality day-care services are extremely important not only to the success of the working parent, but to the future development and growth of the children who have so unwittingly landed in a poverty striken home. A child should be able to remain in his own home and neighborhood. Effective and successful physical, emotional, social, and intellectual growth of the young child in the day-care center requires participation in and by the community.

These centers could provide not only health and educational programs for children, but they could become a focus of community participation and interests. Adult education and consumer information could be offered. Recreational potentials of such facilities are enormous as well as important and necessary to the poor community. Centers such as this could become a place of community con-

cern, as local attitudes can aid in fighting our poverty crisis in this country.

The present AFDC program keeps assistance below the minimum necessary for a humane level of existence. There are so many persons desperately in need who are currently being excluded from help. The nature of the current system repeatedly implies that the recipients are lazy. The welfare worker must combine both his investigative and service functions which further alleviates the poor. The family assistance program could begin to ease these tensions, and pave the way to a newer economic and social orientation toward an old problem. The proposed Federal assistance and standards are a beginning, but I feel the need for more extended and conclusive programs is extremely critical if we are to genuinely help our poor citizens.

Mr. CRANE. Mr. Chairman, I cannot support the bill before the House in its current form. I cannot support it because, while I favor legislation to reform our welfare system, I do not believe that this bill would represent any significant progress toward that end.

This bill has been presented to us as an effort not only to reform and simplify the existing hodgepodge of welfare and assistance programs, but to provide an incentive to get people off of welfare. The objective is a noble one, but we have little assurance that it would be accomplished. Indeed, there is substantial reason to believe that it could have just the opposite effect: that persons who have always been among the "working poor" would find it to their economic advantage to stop working and depend on welfare altogether.

Mr. Chairman, last November Prof. Milton Friedman, the distinguished University of Chicago economist on whose proposal for a "negative income tax" this legislation is based, testified before the Committee on Ways and Means. While expressing his general approval of the concept of the bill, he drew the committee's attention to what he considered to be several serious flaws—and those flaws have not been corrected. I am not in total agreement with Professor Friedman, for reasons which I shall discuss shortly, but I nevertheless believe he made some important points in his statement to the committee, and I include that testimony in the RECORD at this point in my remarks:

STATEMENT OF DR. MILTON FRIEDMAN, PROFESSOR, DEPARTMENT OF ECONOMICS, UNIVERSITY OF CHICAGO

Dr. FRIEDMAN. Thank you, Mr. Chairman. I am glad to be here.

The CHAIRMAN. Mr. Burke, just a moment. I am a little bit out of place here.

Dr. Friedman, I want the committee to know that I have known you and know of you for many, many years, dating back to the time when I served with a great deal of pleasure on the Joint Economic Committee during the 1950's. I want to personally welcome you to the committee.

Dr. FRIEDMAN. Thank you very much, Mr. Mills. It is a pleasure to testify before this committee. My connections with it go back very much farther, to 1941, when I was an employee of the Division of Tax Research of the U.S. Treasury Department.

The CHAIRMAN. I know that.

Dr. FREIDMAN. I strongly endorse the basic principles embodied in President Nixon's proposal for reforming our welfare system: the provision of a strong work incentive; the equal treatment of equals; eligibility requirements based on the objective criterion of income; the separation of financial assistance from other social services. These are principles that I have long supported and long urged. The President's proposal does not go as far as I would like to go in replacing the present welfare system by a system incorporating these principles, but it is a major and welcome step in that direction.

The proposed reform has the potential of greatly improving the social and economic conditions of lower income families in the United States, while at the same time reducing the burden imposed on the taxpayer to help the disadvantaged. But these high hopes will be realized only if Congress can avoid a number of pitfalls in translating the principles into practice.

In my testimony, I wish to direct the committee's attention to three problems that require careful treatment if the principles are to be made effective. Unless this is done, there is real danger that actions taken on the details of the plan will have the effect of completely undermining its effectiveness and of converting it from a major step forward to a major step backward. These problems are raised by a number of specific features of the imaginative and thoughtful proposal that is before you.

The problems are—and here I summarize the three problems and then I am going to return mostly to discuss the first of these. The problems are:

(1) Keeping the marginal tax rate low enough to provide a real work incentive. This is by all odds the most important issue.

The basic marginal rate is stated to be 50 percent. However, social security and other taxes, and the method of handling State supplements and of integrating food stamps with welfare payments, threaten to raise the effective marginal rate to well above 50 percent, and in some cases to more than 100 percent.

(2) Assuring equal treatment to equals. Persons in similar circumstances who are at the same income level should be treated the same whether or not they are currently receiving welfare payments. The present proposals do not achieve this objective.

(3) Providing administrative arrangements that will best lend themselves to further improvement and development of the welfare system. In my opinion, this would be achieved far better by having the Internal Revenue Bureau administer the negative income tax features of the plan along with the positive income tax than by assigning administration to HEW.

I. RETAINING A WORK INCENTIVE

In my opinion, the most important need in welfare reform is to provide a strong incentive for persons receiving governmental assistance to become self-supporting. The President's proposal does so by two key provisions: first, disregarding the first $720 of earned income in computing benefits; second, disregarding half of the remaining earned income. As you are well aware, this is precisely equivalent to a tax schedule with marginal rates of zero at first and then of 50 percent.

For the class of persons involved, 50 percent is a very high rate. Yet, given the present low exemptions under the positive income tax, which requires that the payment of benefits be ended at a moderate income level, it is hard to construct a feasible scheme with a much lower rate. In my own proposals for a negative income tax, I have reluctantly recommended a 50-percent rate, viewing it as the highest that would give families a strong enough incentive to work themselves off relief.

The addition of an initial zero bracket seems to me an excellent idea. It provides maximum incentive where that incentive is most needed—to make the transition from no employment to some employment—and yet raises the breakeven point only modestly.

The two-step schedule of zero and then 50 percent is therefore an excellent compromise, and I support it fully. The problem is that, when additional features of the proposed plan, plus other features of current law, plus the proposals about food stamps, are taken into account, the final schedule is not a two-step schedule and the final rates are often far higher than zero and 50 percent.

This is clear from the figures in the accompanying table. I hope you gentlemen have this table; which is the last page of this prepared statement, because I would like to refer to it in explaining the further comments.

In constructing this table, I have described the proposal in tax terms, which seems the terms which would be most familiar to you gentlemen on this committee as well as the most effective way to present it.

(This description is different from the way I have usually described such plans. I have usually described them as involving an exemption and a schedule of rates for various brackets of negative taxable income (income minus exemptions). That description has the great advantage that it makes clear the relation between such plans and the positive income tax. For the present purpose, however, it has the disadvantage that both the exemptions and the rates are altered as additional items are taken into account. That is why I have used the equivalent alternative description embodied in the table.)

The way I have done it is to treat the benefit received by any family as the difference between two items: first, a basic benefit; second, a tax imposed on all income other than the benefit at graduated rates but with no exemptions. The excess of the basic benefit over the tax is the net amount the family receives (or the excess of the tax over the basic benefit the net amount it pays).

To keep matters simple, I have considered only a family of four with two adults and two dependents, and I have assumed that any income other than the basic benefit is earned income.

The first part of the table, part A, is for the 20 States in which the family assistance program would replace completely the present AFDC program. In these States, the basic benefit—the amount that would be received by a family with no other income—consists of two parts: (1) A family assistance payment of $1,600; (2) Food stamps worth $720—or a total of $2,320. This would also be the net benefit received if the family had no other income.

(In calculating the food stamp allowance, I have followed the President's proposal, which, as I understand it, would provide a maximum of $1,200, this amount to be reduced by 30 percent of total income, including any family assistance benefit. A family that received the $1,600 family assistance benefit only would therefore be entitled to $1,200 less 30 percent of $1,600 or $1,200 less $480, which equals $720.)

If the family earns up to $720 of income, its family assistance benefit is not affected, so the marginal tax rate, because of the family assistance plan, is zero. That is shown in the right-hand part of that first part of the table. The first column gives the income bracket, and the second the marginal rate for that bracket.

However, its food stamp allotment is reduced by 30 percent of its additional income, as I understand the proposal on food stamps that has been made, so the marginal tax rate

because of food stamps is 30 percent. In addition, it will have to pay 4.8 percent for OASI and nothing for Federal income tax, so, going across the table, the total marginal tax rate on that first bracket is 34.8 percent, combining the food stamps plus the social security.

The next bracket runs to $3,000, the point at which the Federal income tax, under current law, becomes effective. Your committee has, of course, voted to change this provision of current law, but in view of the uncertainty about the precise nature of the final tax reform legislation, I have thought it best to stick to the present law, including the expiration of the surtax.

In this bracket, that is, the bracket between $720 and $3,000, the family assistance benefit is reduced by 50 percent for each additional dollar earned, so the marginal tax rate because of the family assistance program is 50 percent. The food stamp rate drops to 15 percent from 30 percent because the food stamp allowance is reduced only on account of the extra 50 cents of each dollar of earnings that is retained by the family. The other items are the same as before, so the total marginal rate is 69.8 percent.

At $3,000, the Federal income tax applies, making the total marginal rate 83.8 percent. At $3,920, the family-assistance benefit has been reduced to zero, so this item drops out, reducing the total marginal rate to 48.8 percent. At $4,000, the food-stamp allowance has been reduced to zero, so this item drops out leaving only social security taxes plus Federal income tax, which combined equal just under 20 percent.

For the crucial range from $720 to $3,920, these are extremely high rates—as high as or higher than the top rate under our positive income tax. In addition, under present law, families on welfare may keep up to $30 a week plus one-third of the balance of outside earnings without a reduction in benefits, so the effective rate for them for earned incomes between $360 a year and $3,000 is 66⅔ percent plus the social security rate, or a total of 71.5 percent, and for earned incomes above $3,000, when they become subject to Federal income tax, 85.5 percent.

The marginal rates implicit in the family assistance program are only trivially lower than the rates in current law, except only for earned incomes between $360 and $720 a year. Yet we are all cruelly aware that current rates do not provide an adequate incentive for families to work their way off welfare.

Moreover, the rates in part A of the table are the most favorable. They are for the States in which the family assistance program will completely supersede AFDC. For all the other States, the marginal rates are still higher.

The exact rates vary from State to State, depending on the maximum benefit now payable. In section B of the table, I have calculated the rate for a sample State that has a current maximum benefit of $3,400 a year for a family of four. I believe that this is roughly the maximum in New York and may be in others as well. In any event, it will serve to give approximate upper limits.

For such a State, the basic benefit has three parts, listed in the lefthand part of the table: (1) the family assistance basic benefit of $1,600; (2) the additional State supplement of $1,800; and (3) a food stamp allowance of $180 ($1,200 minus 30 percent of $3,400)—or a total of $3,580.

Under the proposal, the State is not permitted to reduce its supplementary payment on account of the first $720 of earned income. It is permitted to reduce its supplementary payment by up to 16⅔ percent of the next $3,200 of earned income and by up to 80 percent of still higher earned income.

I have assumed that the sample State applies these maximums. This explains the marginal rates in the column for the State supplement, which is the only additional column in the bottom half of the table compared to the top.

For this State, the food stamp allowance drops out at $600, reducing the total marginal rate from 34.8 percent to 4.8 percent. The rate then jumps at $720 to 71.5 percent, and at $3,000 to 85.5 percent. These are precisely the same marginal rates as under present law. Above $3,920, the rates are still more extreme, even exceeding 100 percent for a bracket just over $500 wide, and then declining to 20.8 percent.

And even this is not the whole story. I have completely neglected city and State taxes on earnings or income, which, in those cities and States where they exist, raise the marginal rates still higher.

These are clearly not very desirable tax rate schedules. They are irregular, declining and rising in a pattern that it is hard to justify on rational grounds. More important, for most of the range of incomes they are far too high to acheive the objectives of the President's proposal. In no State do they provide much more incentive than does the present law for recipients of welfare to work their way out of welfare. In some States, they provide decidedly less incentive than the present law.

Persuaded as I am of the merits of the President's general approach, I am convinced that it would be a tragic mistake to enact it in the form embodied in these tables. These high marginal races are, I am sure, inadvertent—the unexpected combined result or a series of separate decisions. In looking at them as a whole, this committee can enormously improve the present proposals by insisting that no combined marginal tax rate should exceed 50 percent.

The proposals that the committee has already made for reforming the positive income tax will help reduce the marginal rates. But this change, important as it is, will not bring them anywhere close to 50 percent for much of the income range.

The other measures that seem most promising are: (1) Reconsideration of the food stamp allowance proposal; (2) alternatively, revising the family assistance basic grant and tax schedule so that, when combined with food stamps, they provide the basic grant and tax schedule now proposed for the family assistance program alone; (3) not permitting States to reduce their supplement for the first $3,920 of earned income, and then permitting them to reduce their supplement by not more than 50 percent of earned income in excess of $3,920.

II. EQUAL TREATMENT OF EQUALS

Under the present proposal, if Jane and Mary work side-by-side in a factory, receive the same low wages, have the same size family, and are in similar circumstances in still other respects, they may still receive different net benefits. They will do so if Jane was formerly a member of a family on AFDC while Mary was employed and received no welfare payments, and if they are in a State that now provides benefits higher than the family assistance benefits. In that case, the State is required to continue to supplement the income of Jane but not of Mary.

Similarly, as I interpret the proposed law, Jane and Mary may have differential access to manpower and training programs and to child care services. If the earned income of both is high enough to reduce the family assistance net benefit to zero, but low enough to entitle Jane, who was formerly on AFDC (to supplementary State benefits), then Jane will also have access to the other programs, while Mary will not.

This is highly inequitable. It is also perverse in its effect on incentives. It encourages the working poor to quit working and to qualify for welfare in order to get the additional benefits. Equals should be treated equally.

III. ADMINISTRATION OF THE PROGRAM

I believe that our ultimate goal should be a complete integration of assistance to low-income families with collection of taxes from higher income families. All persons should be treated alike. All should be required to file the same or equivalent tax returns. If the income as calculated turns out to be below the exemptions provided by law, the taxpayer will be entitled to receive a payment, a negative income tax. If the income as calculated turns out to be above the exemptions, the taxpayer will pay a tax.

This will end the present demeaning division of our population into two classes—people on welfare and the rest of us. It will end the present demeaning eligibility requirements for assistance. It will subject all to the same criterion of ability to pay—a reasonably objective measure of level of income. It will also improve greatly the administration of both the positive and negative tax by requiring essentially universal filing and thereby reducing the opportunities for avoidance and evasion of tax. Finally, it will be politically healthy, because no additional benefits could be legislated without simultaneously altering the tax structure, and conversely.

This goal is thoroughly feasible in the not too distant future. The main obstacle at the moment is simply the different definitions of income employed for the positive income tax and the proposed negative income tax and the limited scope of the family assistance program.

The goal will become far less feasible, however, if the administration of the new program is assigned to the Department of Health, Education, and Welfare instead of to the Internal Revenue Service. That will assure the growth of two largely distinct administrative hierarchies, two sets of detailed regulations and rulings, and two sets of political vested interests.

In addition to keeping open the feasibility of an integrated income tax structure, there are other advantages in administration by the Internal Revenue Service, notably the contribution that would be made to the prompt and efficient collection of positive income taxes now avoided or evaded.

And I might add to my written testimony one minor example that I should have included. We now deduct tax at source through Internal Revenue withholding. The right way to provide an income supplement to people who are working but have incomes below the exemption level is to add to their paychecks in exactly the same process, which illustrates one way in which combining the two would render the administration of both efficient.

In deciding this issue of where the administration should be placed, I urge the committee to look not merely to the present but also to the future.

Thank you very much.

Mr. BURKE. Thank you, Professor Friedman.

Are there any questions?

Mr. BYRNES. Mr. Chairman?

The CHAIRMAN. Mr. Byrnes.

Mr. BYRNES. I was intrigued with your last statement about administration of income supplements. I think we do have serious problems. I have some great concern about using the Social Security Administration with the old age and survivors insurance system rather than having the administration of supplements stand separately. But I am intrigued with your statement that you

would provide the benefits under the negative income tax through the paycheck.

Dr. FRIEDMAN. Yes. You see, that is the appropriate way to do it for those people who are receiving benefits, what the proposal calls "the working poor."

Mr. BYRNES. I wonder where do we come out when we start making the employer——

Dr. FRIEDMAN. We now do it. We now do it for the subtraction from the paycheck.

Mr. BYRNES. Well, we do in part, but then we also provide for a recapitulation at the end. You would be taking out money that the employer has an obligation, in a sense, to pay to the employee in an employer-employee relationship. Now you would bring in an employer relationship to the Federal Government in terms of the money.

Dr. FRIEDMAN. Representative Byrnes, I would also in administering this program have an annual recapitulation for those who receive as well as those who pay. I would treat both groups alike. You must do that in any event because you will be operating the family assistance program on the basis of advance estimates and you need a reconciliation in order to compare what happens after the event with what was planned.

So the same worker, for example, might in some weeks be receiving a supplement to his pay and in other weeks having his income tax subtracted, because the same worker might one week have a wage that was so low that if he continued on that level for the year, he would be——

Mr. BYRNES. We have so much trouble today, though, Professor, in my judgment, with respect to the refund recapitulation with such a higher percentage having refunds. Would we get into a morass of problems here as we add this factor into the——

Dr. FRIEDMAN. This reduces that problem, Mr. Byrnes, because now one of the reasons you have refunds is precisely that if a person who is employed falls below the level at which taxes should be subtracted from his pay, nothing is subtracted and nothing is added. And as a result he accumulates a benefit which later on provides him with a refund.

By treating him throughout the year symmetrically on both sides of the exemption, the problem of refunds, I believe, would in the main be reduced and not made worse.

In both cases, it seems to me, the employer would be acting as an agent of the Federal Government. He is now acting as an agent of the Federal Government in subtracting the withholding taxes. He would also be acting as an agent of the Federal Government in supplementing the wages by whatever provision was made for such supplementation.

In both cases the employee would have to provide once a year a form reconciling what was deducted or added during the year with what he was entitled to and with his other sources of income. And it is precisely this possibility of combining these different parts of our structure that seems to me a major argument in favor of having this administered by the Internal Revenue Service rather than linking it with social security.

Mr. BYRNES. Of course, what we have done—and I think probably quite intentionally—is to have a system that in many cases overwithholds as a collection device.

Do you suggest that as far as the negative payments are concerned, you would underpay for the same basic reason, so that at the end of the year you would be more inclined to be paying the family some additional funds rather than having to require them to pay back some funds that they had already received?

Dr. FRIEDMAN. Under our present withholding we do have a great many refunds because of overcollection, but we also have a great many people who underpay and have to pay subsequently, because with the best will in the world it is impossible to collect from all accurately. I would expect that doing the best job you could, you would find that in paying out the negative taxes just as in collecting the positive taxes, you would have a considerable number of people who would have to pay additional sums, but also a considerable number who would receive refund.

Clearly, if I were setting this up, I might try to veer us a little bit in the direction of underpayment but not much, because the contemporary cost to the people of being underpaid, it seems to me, would be rather important.

Mr. BYRNES. You address your whole paper here to the dollar-and-cents aspects.

Dr. FRIEDMAN. Right.

Mr. BYRNES. And, of course, that can't be underestimated in its importance, but to me one of the major thrusts of equal significance and importance, and which in some respects may be even more important in the long run, is the thrust of the administration proposal placing the emphasis on job training, bringing job opportunities together with the individual.

And I wonder whether the emphasis you put here doesn't almost ignore that aspect.

Dr. FRIEDMAN. I believe not.

Mr. BYRNES. Or do you think it can be ignored?

Dr. FRIEDMAN. Oh, no, I don't.

Mr. BYRNES. What is your attitude in that area?

Dr. FRIEDMAN. I don't believe it can be ignored. But I believe that those aspects of the proposal will not be effective unless the people involved have a very strong incentive to take advantage of the opportunities that are open.

Mr. BYRNES. That is your 50 percent?

Dr. FRIEDMAN. Right. It seems to me you have two problems. One is to have opportunities available. The second problem is to make the people themselves who are involved have a strong incentive to take advantage of those opportunities.

No civil servant bureaucrat is going to be able, with the best intentions in the world, to pick out which people should get the training, which people should have the opportunities, and force them to do it. That has to come from the individual himself.

One of the most effective ways to have it come from the individual is to give him as great an incentive as possible to take advantage of the opportunities available. We are, it seems to me, asking a good deal of a very impoverished person, a person of a very low income level, if we say to him, "You go take a job and work, leave your home and incur the extra expenses of going back and forth. But, of course, you are only going to get back 30 cents for every extra dollar you earn, or at a higher level you are only going to get back 16 cents for every dollar you earn."

It seems to me that unless we can say to people, "You will get back half of what you earn, anyway, at least," it is going to be very hard to provide them with the kind of incentive that you and I would like them to have to take advantage of the opportunities available.

I may say on one other point that is suggested by your comment, one of the major reasons why I would like to see this handled evenhandedly, and particularly the withholding arrangement, is for nonmonetary reasons. If the program is handled by HEW as proposed, those people who receive a payment are in a wholly different category from those who don't. They have to go and make special application at a different office. They are going to get a separate check somewhere else.

Particularly for the working people who are receiving a supplement, if you can integrate the whole thing, everybody in that factory working in the plant is on the same basis. There aren't two classes of citizens. Everybody gets his paycheck at the end of the week. Some of the people who have had high pay have a little deducted. Others who have had low pay have a little added. And a person may shift from one category to another from month to month. From the point of view of morale and of not making people feel that they are somehow pariahs and making them participate in the activity of the economy, it seems to me that is a very great advantage.

Mr. BYRNES. Your paper and your comments are most intriguing and most interesting. Thank you very much.

Mr. BURKE. Are there any further questions?

Mr. Corman?

Mr. CORMAN. Thank you, Mr. Chairman.

Dr. Friedman, would you agree that we really can't consider a negative income tax until we get to the point where we tax all sources of wealth? We get ourselves in this dilemma where people may have a rather substantial number of dollars at their disposal and yet they aren't subject to the income tax.

What would we do with them when we talk about the negative income tax?

Dr. FRIEDMAN. This is what was intended in the comment I made here when I said that the chief barrier at the moment is simply the different definitions of income employed for the positive income tax and the negative income tax. As an ultimate ideal I agree thoroughly with what you say. I would myself like to see a far more far-reaching reform of the entire positive and negative income tax structure so that all incomes would be treated alike.

But I believe we want to be very careful not to let the best destroy the good. I think we are now faced with a situation in which we have a chance to improve the system as a whole substantially by introducing the principle of a negative income tax but with a different definition of "income" than that which is used for the positive income tax. That is a step forward.

Let's not refrain from taking it because there is a still bigger step that you and I would like to take as the opportunity offers.

Mr. CORMAN. Another question I have concerns the supplement to the paycheck. In the long run what effect is that going to have on the willingness of employers to pay living wages out of their own pockets.

Dr. FRIEDMAN. It will have no effect, sir, because the willingness of employers to pay what they have to pay does not derive from their social conscience. It does not derive from their concept of a living pay. It derives from competition. It derives from the fact that unless they pay as much as other employers pay, they are not going to get anybody to work for them.

So there is no reason that I can see why from the side of the employer he will be affected in any significant way by the fact that in part he is serving as an agent of the Federal Government.

Let me put it to you, if I may, another way. If his administering this for the Federal Government would affect him, then his knowledge that the individual is getting a supplementary check from the social security board or somebody else would have the same effect, and I think that it would be very hard on economic grounds to see any reason why that should have any measurable effect on the wages. Not that he wouldn't be willing to pay more. Any employer is willing to pay an indefinite amount if he can afford to do so. But he can't afford to pay more than the market requires him to pay to at-

tract the labor, and he can't afford to pay less, because if he pays less, he doesn't get any workers. If he pays more, he is going to go out of business.

Mr. CORMAN. Yes, sir, but my concern is of the marginal worker, the person who doesn't have great skill, and there is competition for those jobs. It presents a dilemma. You don't want the man to live on less than a reasonable amount of money.

On the other hand, I would think that this employer might say, "I can pay you at the poverty level. The Government is going to subsidize a portion of it, and I will pay you the rest, and you take the job."

I think I would be concerned with whom we are really subsidizing with supplementary payments. It seems to me we have to hedge those with some protection for the other taxpayers, to require minimum wages or something of that sort. It seems to me we just compound the problem if we tell the employer, "You don't want to pay him any wages. We will supplement it, and you put it on the paycheck. And the employee is going to go home with enough dollars to keep body and soul together, even though it isn't going to cost you very much of it."

You really don't think that is a problem?

Dr. FRIEDMAN. On the contrary, I believe, sir, that it is really rather the other way around.

One of the reasons we have unduly high unemployment among the so-called "marginal" and "skilled" workers is because of the effect of the minimum wage rate, the legal minimum wage rate, which arises because of a confusion between a wage rate and income. It has always been a mystery to me how a teenage boy is better off being unemployed at $1.60 an hour than being employed at $1.40 an hour. And yet the effect of the minimum wage rate has been to render unemployed, people whose economic productivity does not equal the minimum wage rate.

What the well meaning proponents of the minimum wage rate have wanted to do is to provide some kind of a minimum income, not a minimum wage rate, which is of no negative income tax program is precisely value unless employment is available, on that rate. In fact, the effect of this kind of a that it serves the real function which the well meaning proponents of minimum wage rates have mistakenly believed that they could serve by minimum wage rates. It serves that real function of enabling people to earn what they can in the market, whatever their skill, and improve their skills through on-the-job training, while at the same time, through supplementing their income, you maintain a minimum level of take-home pay, which is available for them to purchase goods and services.

The fear that the employer would somehow be in a position to take advantage of this is a very understandable and natural fear. But I believe it does not correspond to the facts of the marketplace.

With respect to the group of workers we are now speaking of, there are, in general in most market areas in the country, a considerable number of potential employers. Those potential employers are in competition with one another, and they have no effective leeway to pay people less, simply because they are getting some supplement from somewhere else.

Mr. BURKE. Mr. Gibbons?

Mr. GIBBONS. Dr. Friedman, I am intrigued by your testimony. I never had an opportunity to read much of your material except what has appeared in the newspapers, and you have thrown some new light on it here today.

You are suggesting that perhaps a way that this could be worked, your negative income, is by adding through a private business employer an additional amount of money, just as we now deduct an additional amount of money from the paycheck for the Internal Revenue. I would assume, following that on through, that eventually, the employer would have to get the money from somebody. He would get the money from the Government the same way he now pays the money to the Government. He would just submit a statement saying that, in effect, "I have so many people who are employed, and they have this kind of a social background. Therefore, I am entitled to money back."

This is a silly situation, but I could envision an employer perhaps going to employees and saying, "Maybe you better go home and have a few more kids. You don't want to work any harder, but I can get more money for what you are now doing."

Dr. FRIEDMAN. No, sir.

Mr. GIBBONS. You don't think it will work that way?

Dr. FRIEDMAN. No, it doesn't work that way now with the positive income tax. He doesn't say to the employees, "Why don't you go home so I don't have to pay over to the Government as much in withholding tax." The actual way it would work is that each employer would be withholding from most of his employees. The number of employees whose wages he would be supplementing would be relatively small. Given the kind of tax rates you have been thinking of, he would hand into the Internal Revenue a net payment. He would pay over. He would say, "This is the amount of money I have collected on your behalf. This is the amount of money I have paid out on your behalf. The difference is the amount I pay over to you."

Mr. GIBBONS. Wouldn't your program really encourage the employer to discriminate and to hire the poor and the disadvantaged and the large family person, as opposed to a single person, perhaps?

Dr. FRIEDMAN. Not at all. His wage cost is exactly the same regardless of the family status. His personal wage cost that enters into business calculations is not affected by the family status of the person, just as now the fact that he has to deduct more from the pay of a man with a small family, of a single person, than of a man with a large family does not lead him now to prefer the man with the large family. His wage cost is a wage rate he pays for the job to the man whom he employs.

Then in addition to that, he now serves as an agent of the Internal Revenue in withholding at source from that man's pay the taxes that are due to the Federal Government in the same way he would serve as an agent of the Federal Government or the Internal Revenue in paying over an additional sum to which the man was entitled.

Mr. GIBBONS. Let me give you an illustration.

Suppose you have a man working on an assembly line and maybe he is making $2 an hour, and he is operating a machine or something like that. That would be pretty minimum pay. He turns out x number of products an hour, which result in an economic benefit to his employer, so much.

If that man were poor—of course, he would be poor at $2 an hour—but if that man were poor, let's say, then his employer would, in effect, get a refund from the Federal Government, which he would in turn pay to that man.

Dr. FRIEDMAN. That is right.

Mr. GIBBONS. Yet he would still be paying $2 an hour, wouldn't he?

Dr. FRIEDMAN. That is right.

Mr. GIBBONS. And maybe the man would then be taking home $2.25 an hour, or $2.50 an hour. It looks like to me that there would be a great encouragement in your system to hire the poor first.

Dr. FRIEDMAN. No.

Mr. GIBBONS. I wish you would draw me a picture of it. I don't want to take up the committee's time.

Dr. FRIEDMAN. Let me give you this.

Here right now an employer hires people at $2 an hour, some of whom, for all he knows, have extra income and some of whom don't. Does that affect which ones he hires? Or does he pay those who have extra income outside less money than he pays those who don't?

Right now suppose you adopted the proposal as suggested by the President. Then the employer would know. He would know perfectly well that John Jones is getting an additional check from somebody because of the fact that he has six children and has a lower income than the income he would have to have in order not to receive a grant, so he knows what he is getting.

Employers are not fools. They know perfectly well what the other arrangements are, and so changing the bookkeeping by having somebody a block down the street hand the man the check, instead of combining it with the payroll operation of the firm itself, doesn't change the facts.

Mr. GIBBONS. I regret to say most of us live by forms. Have you ever gone so far in your thinking as to figure out what the new form 1040 would look like under your proposal?

Dr. FRIEDMAN. Yes.

Mr. GIBBONS. Do you have that?

Dr. FRIEDMAN. I don't have that with me, but I have in earlier cases when I have worked on this drawn up forms 1040 to handle the negative income tax.

Mr. GIBBONS. I wonder if you could just supply one, so we could put it in the record at this point.

Mr. Chairman, would that be all right?

Dr. FRIEDMAN. I will see if I can get one.

"Unfortunately, I was unable to locate in time the forms I had drawn up earlier and time did not permit my writing out new ones in full. However, for form 1040, only changes that would be necessary would be (a) to add several lines in computation of tax parallel to those now used in computation of positive tax, e.g.:

"'(1) If deductions and exemptions exceed reported taxable income, enter excess here.

"'(2) See Tax Table—for payment to which you are entitled.

"'(3) Enter advance payments received during year.

"'(4) Enter any taxes withheld during year.

"'(5) If (2) and (4) is greater than (3), enter excess here. This is amount you will receive.

"'(6) If (3) is greater than (2) and (4), enter excess here. Remit this amount with tax return.'

"(b) To allow in b only of return of items of income on deductions treated differently for positive and negative income tax."

Mr. GIBBONS. At least mail me one, anyway.

Dr. FRIEDMAN. Sure.

Mr. GIBBONS. And I would like to see what the form looks like that the employer would furnish the Internal Revenue Service to claim the additional compensation.

Those are all the questions I have, Mr. Chairman.

Mr. BURKE. Thank you. We thank you very much, Professor Friedman, for your appearance here today and your testimony.

I can assure you the entire membership of the committee and the committee staff will study your statement very carefully and also your chart.

Thank you.

Dr. FRIEDMAN. Thank you.

(The chart referred to follows:)

MARGINAL TAX RATES IMPLICIT IN WELFARE PROPOSAL

[Family of 4 (2 adults, 2 dependents); all income earned (other than welfare grants and food stamps); city and State income taxes neglected]

A. 20 STATES WHICH NOW PAY BENEFITS LESS THAN PROPOSED FAMILY ASSISTANCE BENEFITS

Income bracket [1]	Tax schedule: Marginal tax rate (percent)					Basic benefit		
	Family assistance	Food stamps	Social security [2]	Federal income tax [3]	Total	Family assistance	Food stamps	Total
0 to $720	0	30	4.8	0	34.8	$1,600	$720	$2,320
$720 to $3,000	50	15	4.8	0	69.8			
$3,000 to $3,920	50	15	4.8	14	83.8			
$3,920 to $4,000		30	4.8	14	48.8			
$4,000 to $5,000			4.8	15	19.8			

B. SAMPLE STATE WITH CURRENT MAXIMUM BENEFIT OF $3,400 A YEAR (NEW YORK STATE)

Income bracket [1]	Tax schedule: Marginal tax rate (percent)						Basic benefit			
	Family assistance	State supplement	Food stamps	Social security [2]	Federal income tax [3]	Total	Family assistance	State supplement	Food stamps	Total
$0 to $600	0	0	30	4.8	0	34.8	$1,600	$1,800	$180	$3,580
$600 to $720	0	0		4.8	0	4.8				
$720 to $3,000	50	16.7		4.8	0	71.5				
$3,000 to $3,920	50	16.7		4.8	14	85.5				
$3,920 to $4,000		[4] 80.0		4.8	14	98.8				
$4,000 to $5,000		[4] 80.0		4.8	15	99.8				
$5,000 to $5,503		[4] 80.0		4.8	16	100.8				
$5,503 to $6,000				4.8	16	20.8				

[1] Income excludes basic grant and is all assumed to be earned income.
[2] Employee's tax under OASI.
[3] Present law, excluding surtax.
[4] Maximum permitted under proposal.

Professor Friedman objects to this bill on the following basis:

First, that when the value of food stamps and State supplementary benefits is figured in, the marginal tax rate on the earned income of the working poor is far higher than the apparent 50 percent—that, indeed, it may actually come to more than 100 percent, thus providing a serious disincentive to accept employment rather than the incentive that this program is designed to create;

Second, that families in similar economic situations should be treated equally, and that this is not the case under the provisions of the bill as it now stands, either in the regulations relating to State supplemental benefits or in the advantages it may give persons who do not work over those who do. Thus, the act does not require states to pay supplemental benefits to the working poor—which means that two men could be working at similar jobs and earning the same wages, but one would receive the state supplemental by virtue of the fact that he had been unemployed, but the other would not. This is a clear incentive for the working men to "arrange" unemployment category status in order to qualify for the extra benefit; and

Third, that the arrangements proposed to administer the provisions of this bill are cumbersome and costly, and that it could actually be administered far more efficiently through the system already in existence for payroll deductions and income tax payments.

Let me conclude this section of my remarks by noting that Professor Friedman—the father of the negative income tax—stated in a public meeting last Saturday, April 11, 1970, in Chicago that:

> If I were a Member of Congress, I would vote against H.R. 16311, as it is presently written.

As I have indicated, however, I am not totally in agreement with Professor Friedman. One of the main objections that I have to the pending bill, that he does not share, is the inclusion of the working poor in the Nation's welfare population. I must object to this on several counts: First, its cost; second, its bureaucratic implications; and third, its moral and psychological implications.

My first objection is to the enormous financial burden that this extension of the concept of welfare will impose upon the American people. It is estimated that the cost of increasing the number of welfare recipients from the present 10 million to about 22 million under the pending bill will be $4.4 billion in the first full year, and that it will increase substantially thereafter. In 1 year we will add 12 million new persons to the welfare rolls—most of them the very people who have struggled for years to avoid subjecting themselves to that very indignity.

The second point is that the present bill would add a whole new bureaucracy under the Social Security Administration of the Department of Health, Education, and Welfare. As Professor Friedman so aptly pointed out in his testimony to the Committee on Ways and Means, the wrong administrators could use this new program to expand their own offices and staffs. It should also be noted that one of the ways in which our present welfare system is most in need of reform is in the bureaucracy that has grown up to administer it. We should not now be looking for ways to expand that bureaucracy or give it a new lease on life.

My third objection to the pending legislation as it affects the working poor is probably the most serious of all. Heretofore, we have always believed that work was the proper way for a family to support itself in our society. As a people, we have realized our obligations when it came to particular hardship cases, such as the disabled and the aged; but in general the work ethic has been an integral part of our whole national fabric and, I believe, vital to our national success.

In the past, welfare programs have sought to encourage those who are unemployed to seek employment. They have been, at least in theory, temporary or emergency measures. To be on welfare and to receive a Government handout has had a definite social stigma attached to it. And this is as it should be, if we are to encourage individuals, capable of doing so, to stand on their own two feet. Now, however, we are seeing this long-standing principle demolished. In recent years we have witnessed a new class of permanent welfare recipients come into being and produce a second and third generation of welfare families. And today we have before us a proposal that will even further institutionalize this new and tragic welfare class, this time under the aegis of the Federal Government.

I believe such a system will be truly demoralizing for those citizens who have long been too proud to accept a dole from the Government. Those who claim that the proposed legislation will provide incentives to the nonworking poor to get jobs, apparently have not looked at the other side of the coin—that it will also provide a disincentive for the working poor to stay employed.

NEW FEDERALISM

Mr. Chairman, the President has consistently expressed his belief that we should be returning to a reinvigorated federalism in our Nation's domestic affairs.

I support this viewpoint and heartily concur that we must redress the imbalance that currently exists in our State-Federal relations. We must enable the States to determine the priority of their own programs, so that dictation by the faceless Federal bureaucracy is not determining the lives of individuals in

the Arlington Heights', Keokuk's, and Springfield's of the Nation.

The pending bill would move us in the wrong direction—it would move us toward more Federal control, and away from State determination of their own future programs.

It seems to me that this point has been completely overlooked by those who support the pending bill.

SUMMARY

To summarize, then, I oppose this bill because I do not believe that it takes into account the dangers involved in establishing a "guaranteed income" for American families. I am opposed to its enactment because it does not, in my opinion, provide any genuine incentives to work for anyone not now employed, but rather that it does the contrary. I further oppose this bill because it treats the working poor and the nonworking poor unequally, and to the disadvantage of the working poor. I oppose it because it would bring into being a new and extensive Federal administrative bureaucracy, including the social workers needed to police the system, at a time when we are supposedly trying to reduce the size of government. Finally, I oppose it because it represents one more step toward the centralization of government rather than decentralized federalism.

Mr. REID of New York. Mr. Chairman, I rise today in strong support of H.R. 16311, the family assistance plan.

The occasions are all too rare that I find myself honestly excited about innovative and original legislation on this floor, but today I think that we have before us a truly creative proposal which lightens not only my spirits, but also the spirits of poor people all over the country, who for too long have lived with a morass of residency requirements and broken, fatherless families.

So it is not for reasons of congressional courtesy that I now commend the President and the Committee on Ways and Means, who have respectively introduced a good bill, and made a good bill better, and together worked to propose what may well be the most constructive and original initiative I have seen over the past several years.

This is a positive program. It is a program which keeps families together rather than splitting them up; which induces economic independence rather than humiliating subservience; which provides day-care centers and manpower training programs; and which makes of what was once a stifling and even counterproductive system an open and productive one.

It is a program through which a recipient can see the light at the end of the tunnel. Where all too often the life cycle of an AFDC recipient was from dependency to stagnation, now it can be one of independence and dignity.

The precedents that this bill sets are invaluable—first of all, it has been recognized that family security is the responsibility of the Federal Government, and no matter how important States' rights are, it is basically wrong for a family in Mississippi to get $39 a month while a family in New Jersey gets $263 a month. Poverty happens to be national in scope and in origin—it should indeed be national in solution, and the concepts of national minimus and a Federal income floor are progressive steps in this direction. Second, been certified as deserving of Federal assistance; and third, it is the responsibility of the Federal Government to help people who want to work but cannot, by providing day-care centers and job training facilities.

This is not to say that I think that the program, as outlined in this document before me, is perfect. I come from a State which has served its poor relatively well; benefit levels in New York are presently the second highest in the Nation. Yet, this new plan threatens to substitute new inequities for the old. For instance, although New York State bears 15 percent of the national welfare caseload, under this plan it will get only about 6 percent of the funds. And New York City, which alone bears 10 percent of the national caseload, will get only 1 percent of the funds—a mere $40 million out of more than $4.4 billion in the program.

It is indeed unfortunate that the formula as presently stated in the bill appears to penalize New York and the wealthier States which have been progressive enough to institute decent benefit levels. To remedy this and to guard against this possible new inequity, I therefore would urge that the formula be changed and, as the National Governors' Conference has recommended and as both Governor Rockefeller and Mayor Lindsay have recommended, that within 3 to 5 years the Federal Government assume all benefit costs and all administrative costs. Federal matching funds should be provided for costs above the $1,600 floor, and they should be increased annually so that within 5 years all costs would be federalized.

I am concerned also about the eligibility requirement which precludes childless couples and single persons from receiving assistance under this plan. To deny benefits to people because they are unmarried, though they may be just as poor, just as destitute, as the families around them, is discriminatory. And to penalize a couple who chooses not to bear children, though they too may be jobless and homeless, is unjust and unreasonable. In New York State, for example, there are at least 93,000 poor people who would fall into these categories but who are excluded from benefits under this bill. I would strongly urge, therefore, that the eligibility definitions be reconsidered to provide assistance based on need, not on numbers.

Second, I believe that the concept of, let alone the funds for, day-care facilities, should be broadened to be more than a welfare benefit. Families in a middle-income bracket who desire or need day care for their children should have this opportunity, and could pay for the services according to their ability. Although I will of course support the day-care authorizations in this bill for the poor, in New York State alone we need 300,000 to 400,000 day-care places, so I warn against limiting our horizons in this area. I urge broadening both the concept and the funds to include quality educational care as well as custodial care, and funds for construction as well as renovation of facilities.

Third, although I applaud the manpower training program and the work incentives, statistics differ as to the number of persons actually able to work, let alone the availability of jobs for them. It is important that the training be related to the local employment market, and that a decent job will be available upon completion of the training.

Finally, I am not at all sure that a mother with school-age children should be required to work, as she is in this bill. If she is, then the State is in fact dictating that her child must be cared for by a day-care center rather than by herself. Possibly it is old fashioned of me to suggest this, but I am inclined to believe that to involuntarily deny a woman the option of caring for her own child is wrong. I am under no circumstances saying that "a woman's place is in the home," but I am saying that she should be given the free choice of working or staying at home, as she would in a nonassistance family.

I submit these reservations basically as a cautionary note that this bill in and of itself may not end all poverty, and as a reminder that we must remain open to suggestions. Despite these reservations, however, I consider this legislation a monumental breakthrough. And although I will continue to urge that the Federal Government take a still larger portion of the responsibility by broadening eligibility, authorizing greater day care funds and employment responsibilities, and reconsidering the mandatory work provision for mothers, I continue to believe that this legislation represents a vital and historic step toward lifting the poor from dependency to dignity.

Mr. ABBITT. Mr. Chairman, I rise in opposition to H.R. 16311, the Family Assistance Act.

This bill pretends to be a reform of the present welfare system when actually it opens a Pandora's box which will greatly increase the total cost of welfare in every county and city in the United States. In my opinion, the bill now before us, if adopted, will be a major step toward a Federal dole system.

This is a matter of much importance, and I believe that the so-called reforms which are now being considered may in fact be the most encompassing domestic legislation to come before the Congress since the adoption of the Social Security Act in the 1930's. This greatly concerns me and I am afraid that in our haste to reform the present system, we may in fact be creating far greater problems than now exist.

There is no question that the present system needs reforming to some extent. We have tolerated too long certain features of the present law which tend to benefit those who are not interested in working, but feel that they were entitled to support from the Government. On the other hand, there are certain aspects of the present laws which tend to penalize needy families simply because of the bureaucratic structure which does not take into account personal circumstances in individual cases. I also feel that the pres-

ent system does not provide for adequate investigation and followup in some welfare cases.

However, I believe that the reform proposals now before us do very little, if anything, to change this situation. In fact, the bill incorporates most of the bad features of the present welfare system and makes provision for no improvement in the administrative tangle that makes the existing program so ineffective. This simply adds a new Federal layer on top of a system that is already buried in bureaucracy. The Family Assistance Act has all of the features which tend to foster indolence and encourage reliance on the Government. In addition, by establishing national standards, it undercuts the established patterns of welfare systems in many States.

The thing that concerns me most is that the Department of Health, Education, and Welfare is using unfairly the claim that the present aid for dependent children program encourages the breakup of families. The truth of the matter is that HEW is simply using this as a facade to get approval of a guaranteed annual income and once the door is open there is no telling what the eventual ramifications and cost will be.

According to my understanding, the statistics being used by HEW in support of the family assistance program were obtained in a survey of only 18,000 homes. This compares with approximately 50 million homes in the country and such a sampling would be only thirty-six one-hundredths of 1 percent of the total. It is incredible that Congress should be called upon to act on the basis of the meager information which has been presented to us in this instance.

I have looked over the figures supplied by HEW and frankly am at a loss to understand exactly how they have arrived at certain statistics. It is indicated on the one hand that there are now 1.7 million families receiving AFDC funds on a regular basis. This involves approximately 7 million persons. Under the proposed family assistance plan, the total would be increased to 3.9 million homes—including the 1.7 million under AFDC—and a total of 20 million persons. Still other figures which have been circulated show that the possible total to be covered by the program would include not 3.9 million homes but 5.2 million which would up the total number of persons to 26 million, so nobody knows exactly what the statistical situation is.

Enactment of the family assistance plan will eventually cost incalculable sums which must be made up some place. The guaranteed income is, of course, subject to rising living costs, so that it is a foregone conclusion that once the principle of guaranteed income is established, increases will surely follow. I am opposed to the guaranteed income as such but also realize that the figure provided in this bill is low enough so that if the law is passed, there will be an immediate clamor to raise the level.

I am diametrically opposed to trying to solve problems by creating new levels of Government bureaucracy with the idea that they may be able to grope toward workable solutions. We have had far too much of this and HEW is perhaps the most significant example in the Government of the inadvisability and inefficiency of such attacks on problems.

It is obvious to those who have taken the time to study the family assistance proposal that reform of existing programs is secondary to the objective of establishing a guaranteed income. I am opposed to this and feel that the vast majority of our people are against it. HEW is merely trying to camouflage its real purposes by putting forth the idea that this will encourage families to stay together. I do not believe that any action by the Government per se can be called the primary reason for the breakup of families. This bill would add to the Government welfare rolls vast millions of people and establish the precedent that the Government will guarantee to them a basic income. No one in authority seems to be able to give any idea as to how many people will be involved, how much the cost will be, how many more administrative personnel will be required, or where the road will eventually lead.

For this reason, I feel that it is a mistake to go into a program of this kind without more painstaking study by Congress. Past experience has shown that we cannot rely too much on the statistical information provided by HEW and we need only the recent experience with medicare to cause us to pause and raise questions as to where this all will lead.

It seems to me that we have gone far afield in this country as to our understanding of the role of the Government in relation to its citizens. The Government was never established to take care of the people but to simply provide a climate wherein its citizens may have the freedom to make a living and go about their daily pursuits without governmental interference. We have traveled already too far down the road toward socialism and the establishment of a dole system would be the final major step toward the completion of the socialistic pattern. Obviously there are many good features to the welfare program and the present bill makes improvements in aid to the blind and other handicapped persons, child care and certain incentives toward manpower training, and so forth. I am afraid, however, that taken on balance the bill before us would create more problems than it would solve and will establish patterns which will be difficult to reverse once it is obvious that they are wrong.

One of the main failings of the Federal Government is that we too often think of solving problems in terms of creating bureaucracy and making Federal aid available. In the instance of public welfare my feeling is that too much money has been spent to accomplish too little good and that along the way we have contributed to the establishment of a pattern whereby many individuals tend to rely on public support rather than to recognize their own responsibilities. I see nothing in the present bill which would reverse that trend but, in fact, feel that it is likely to be accelerated under its terms.

Mr. HANLEY. Mr. Chairman, we have before us today one of the most far-reaching pieces of legislation to be debated in the 91st Congress, the family assistance plan. I am pleased that we are moving in this direction, but I am concerned at the procedure under which the bill is proceeding. While I am in general agreement with the concepts contained in the bill, I was hopeful that the measure could have been presented to us under an open rule permitting amendments. It was for this reason that I voted against the closed rule yesterday. I intend to vote for the bill on final passage while at the same time expressing the hope and the belief that the Senate will refine certain of the provisions with which I am not in wholehearted agreement.

For a moment now, I would like to discuss a few of the more important features of the bill.

The President proposes a floor of $1,600 income for a family of four, paid entirely by the Federal Government. Additional payments to families with no income at all would be made by those States where current benefit levels exceed $1,600. For families where a member is working, the first $720 per year earned income will not be counted against the $1,600 floor. In addition, only one dollar of each two earned over the $720 will be taken from the floor payment. For the family of four, when earned income reaches $4,000, the Federal payment would no longer be paid.

I am pleased with this provision because it will represent a substantial improvement in the lives of the poor and the indigent in some States, but I do not believe that the inherent disparity in benefits among the States will slow or alter the trend toward uprooting and migration. I am pleased that the eligibility features for the family assistance plan will apply nationwide, and I hope that the bill is amended in the Senate to close even more the gap which exists in benefits among the States.

I regret that the President's program does not contain a new proposal to strengthen the hand of the welfare agency in obtaining support payments from deserting fathers, but two provisions should help to cut down on desertions: Removal of the "man in the house" rule and imposition on the deserting parent or spouse of a financial obligation equal to the amount of Federal assistance paid to his or her family as a result of the abandonment. This first provision is a humane and stabilizing feature because we are removing the incentive which exists for a father to desert his family when he is unable to provide for them and when his mere presence is a stumbling block to the family's receipt of public assistance. It replaces the incentive to desert with an incentive to find work or accept job training. The second provision moves in the direction of insuring that the Government is not picking up the tab for someone who is capable of picking it up himself.

One of the more negligent points in the bill before us, and one which I am sure the Senate will attempt to revise in its consideration, is the fact that the leg-

islation does not move in the direction of providing relief for State and local taxpayers by assuming a greater Federal share of the costs of the program in the more progressive States like New York. The Nixon program requires the States to supplement the income of welfare families in the amount which exceeds the basic $1,600 up to the level of welfare paid in that State at the beginning of 1970. Unfortunately, the bill provides that the Federal Government will pay only 30 percent of the cost of these supplementary payments, and no Federal assistance will be available where the State makes a supplemental payment to the working poor. In my judgment, this provision of the Nixon program offers New Yorkers no relief to speak of from the burden of welfare. The bill has to be amended in the Senate to provide for a much larger share of the supplemental benefits and aid should be available for the working poor.

Mr. Chairman, my remarks today, of necessity, could not cover all of the features in this complex bill, owing to the time element. I am going to vote for the bill because, on balance, it is a good one. I did, however, want to take this opportunity to address the attention of my colleagues to some of the more obvious deficiencies in the measure and at the same time urge our colleagues over in the Senate to seriously consider amendatory language.

Mr. OTTINGER. Mr. Chairman, I rise in support of H.R. 16311, the Family Assistance Act of 1970. While I believe that this bill should have been brought to the floor under an open rule to allow us to offer much-needed amendments, the measure is a step in the right direction of reform of our drastically ineffective, inequitable, and misdirected welfare system. I have been advocating welfare reform since early in my congressional career, and I am gratified that we at last have a vehicle to enable us to carry forward the necessary struggle to eliminate hunger and poverty in the United States.

Our existing welfare system should have been discarded long ago. It places recipients in the awful position of having to refuse employment that would reduce their meager income from public assistance. It encourages dependency and creates generational cycles on relief rolls. It breaks up families in areas where "man in the house" rules have restricted eligibility. And it encourages the poor to flock to overcrowded cities where welfare payments are higher. When a family of four receives $44 a month in Mississippi and could be eligible for $264 a month in New Jersey, who could resist the impulse to emigrate?

It is heartening to witness the public support for overhaul of public assistance. Significant elements of the business community, the Presidential commission on income maintenance, key figures in the administration, public-service agencies such as the Urban Coalition, the National Welfare Rights Organization, and many, many more have lent their backing to this effort, and while the Family Assistance Act falls short of what needs to be done, it deserves our support because it will incorporate many desirable principles into the Nation's public assistance programs.

I specifically endorse the bill's emphasis on jobs and job training for all able-bodied welfare recipients who have no small children to care for; the establishment of minimum Federal standards for eligibility and expanded Federal financing and administration; complete Federal funding of day-care centers for working mothers; a floor on income for the very poor; assistance to the working poor whose income falls well below the poverty level; and a minimum guaranteed payment for aged, blind, and disabled individuals who have no other income. These initiatives embody much-needed principles if we are to break the pervasiveness of poverty which so debases the moral posture of a Nation with a gross national product nearing $1 trillion a year.

I was, however, among those who requested an open rule on this legislation to give all Members of this body a full opportunity to add still further innovations and increases needed to make this truly a welfare reform bill.

While the Family Assistance Act does provide for greater Federal involvement, it will still allow for variations in the amounts of assistance paid by different States and will, therefore, not completely discourage the migration of the poor to cities like New York where public welfare burdens distort the entire municipal budget. Equity demands full Federal funding and administration of public assistance, and we will not have a truly workable and adequate system until this basic step is taken.

Further, the principle of an income floor is a major breakthrough and a long overdue reform. But how any family of four in the United States can live with dignity on $1,600 eludes me completely. Instead of testing the water with our toe, we ought to act on our realization that even the official poverty borderline of $3,720 is not adequate in most sections of the country to maintain a decent standard of living. In New York $5,500 would be a more reasonable and realistic minimum, and we should not blanch at such a positive move toward social justice. For those who cry that we are establishing a new welfare population, we have many alternatives to prevent such an occurrence. It is my conviction that all men want the satisfaction and dignity of self-supporting employment, and by expanding the job-training provisions of this program, and also creating jobs if we must, we can bring this principle into operation. Thus the income floor will be but a springboard to a higher goal.

The Family Assistance Act does not penalize the working individual for earning minimal outside income, but the disregard amounts to only $720, beyond which 50 to 67 percent of earnings would be deducted from the person's income. Surely there is no equity in levying this steep a tax on family heads trying to support dependents on $2,320 a year, and a built-in disincentive to seek further work will be embodied in the program. This is the same fault in existing welfare rules, and by not deleting these penalties at low-income levels, we will once again encourage the search for hidden income and other subterfuges plaguing the relief system today. One of the most interesting proposals I have seen on the work-incentive problem has been developed and advanced by a distinguished and successful New York businessman, Mr. Leonard M. Greene, who has devoted considerable time and effort to removing the stigma of poverty from our national life. Mr. Greene's admirable plan is labeled "fair share," and in the belief that Congress should give full and fair consideration to this solution, I append Mr. Greene's position to my remarks. We simply must remove all government barriers and penalties on the working poor in the form of excessive taxation of meager earnings, and fair share deals eloquently with a remedy for this practice.

Mr. Chairman, I am also perplexed that H.R. 16311 excludes childless couples and single people from public assistance. This is a major shortcoming of the bill and belies the reform label. A poor person is a poor person, and by passage of this legislation we shall have failed to help untold numbers of the disadvantaged, while at the same time we will place a premium on family size at a time when we should rather be discouraging the accelerating growth of our population. There can be no justification for penalizing people for not bearing children.

Furthermore, while stress has been placed on the work-incentive provisions of this bill, let us not lose sight of the fact that over 90 percent of present welfare recipients are aged, blind, disabled, dependent children, and mothers caring for preschool children. With national unemployment zooming to 4.4 per cent, we need to be mindful of the limitations and not imply that we will force mothers to work. Certainly no able-bodied person should be allowed to refuse decent employment, and this bill includes safeguards to prevent exploitation of the employable poor, but we need to beware of allowing punitive action to intrude on our legitimate effort to ensure a life of dignity, with adequate housing and nutrition, for every American. The needs of children must be kept uppermost in mind as we attempt to uplift those in need of help.

In addition to raising family support levels, Mr. Chairman, we must increase the guarantee for the blind, disabled, the aged, from the proposed $110 to at least $150 a month. The staggering rise in the cost of living is a burden on most, but none more so than those on fixed incomes and unable to work. Age eligibility should be reduced to 60 for men and 55 for women, and cost-of-living clauses seem only fair. Cost-of-living increases are coming to be the recognized necessities in all wage determinations, Mr. Chairman, and we should include them in the overall provisions of the public assistance program.

Mr. Chairman, we have today an opportunity to begin—and it is only a beginning—to strike out in new directions in our society. We have among us 15 million malnourished, 30 million poor, and 77 million deprived people. We have the worst welfare system of all the de-

veloped nations of the world. Ten countries have lower infant mortality rates, and 15 have higher literacy rates than the United States. National pride and human decency impel us to move boldly to eradicate the flaws in our social fabric. We must compete not only in armaments and technology and trade, but in the far more fundamental reforms which will improve the quality of the lives of all of our people. Instead of taking one small step as men, let us take that giant leap for mankind.

The article referred to follows:

FAIR SHARE—A FULL INCENTIVE PLAN TO REPLACE WELFARE

(By Leonard M. Greene)

THE PROBLEM

Recently, the widowed mother of five children living in Westchester County, New York, on funds provided by our present welfare system was delighted when her eldest daughter came home and announced proudly that she had obtained a job at the checkout counter of a supermarket.

The family's joy was short-lived. It quickly discovered that with a wage earner in the home, welfare payments were reduced. When simple costs such as lunches and bus fares were subtracted from the total, the family had less money to live on than it had had before. To be of real help at home, the disappointed youngster was forced to resign. The unhappy episode is a tragic example of how "second generation" welfare cases are created and how abysmally another "Noble Experiment" in America has failed because of a lack of imaginative planning.

WELFARE REFORM

In his current proposals for welfare reform, President Nixon has taken note of this "incentive pitfall." Reactions of leaders in various fields to his suggested improvements range from high to extremely faint praise. Certainly, almost any change from the utter chaos of the present system which sees welfare rolls zooming upward during years of national prosperity is welcome. A "step in the right direction" thus far has been the favored summation.

But is a step enough? I, for one, and a lot of other people with me, do not think so. For example, the new "welfare reform" still contains the same fatal flaw that doomed the original high-minded concept of help for the poor—it does not provide the vital *full incentive* that inspires a person to lift himself up and improve his lot in life.

Under the new plan, the basic Federal benefit for a family of four would be $1,600 per year; $500 for each of the first two family members and $300 per member thereafter. So far, so good. But here comes our old pitfall beneath a fresh camouflage. According to the official "Welfare Reform Fact Sheet" issued by the United States Government, "Benefits would be reduced by 50 per cent as earnings increase above $720 per year."

A 50-PERCENT TAX FOR THE POOR

In other words, a welfare recipient who labored to make $61 a month would immediately leap into a 50 per cent tax bracket! Figuratively, he would be rubbing elbows with highly-successful doctors, lawyers and business executives. Undoubtedly, his elbows would be considerably more frayed but he would be in that relatively exclusive company nonetheless.

His *incentive* to earn that extra dollar must evaporate by 50 percent according to the "law" of human nature. This "law" has not yet been repealed despite the hopeful administration declaration, "With such incentives, most recipients who can work will want to work. This is part of the American character."

It is also part of the "American character" to expect to be fully rewarded for one's efforts.

That is why I propose a *complete new plan* that we have named "Fair Share" which abolishes welfare altogether, wipes out the enormous bureaucratic machine that administers it, and, most important, gives every American citizen that spiritual spark, that incentive drive which says, "I can do better, and my efforts will be fully rewarded."

ABOLISH WELFARE

How can this be done? Remember that the welfare problem in this country is immense and the situation is growing more explosive daily. Bold, drastic measures reminiscent of the early days of the New Deal that met the Great Depression head-on must be taken. *Abolishing welfare* sounds as outrageous as closing the banks did then. But that courageous strategy worked and we who believe in "Fair Share" are confident that this equally forceful and daring plan also will succeed where any halfway measure, any patchwork stopgap is doomed before it starts.

FAIR SHARE

Briefly, this is how the "Fair Share" plan can replace welfare, providing the poor with the necessities of life while at the same time opening wide the door of opportunity and inviting them to better their standard of living.

Poor or not, every citizen (and that includes President Nixon, the butcher, the baker and you and me) would receive a *taxable* allowance. For example, Congress might set this figure at $900 for an adult and $400 for a child. This would give a family of four an annual "Fair Share" income of $2,600.

Disbursement of these "Fair Share" funds would be handled by and combined with our existing internal revenue service system.

A 100-PERCENT ENCOURAGEMENT TO WORK

Our present welfare system offers the recipient 100 per cent discouragement against working. The proposed "welfare reform" still offers 50 per cent work discouragement. In my opinion, that remains fatally high and it will not produce the miracle we need to solve our problem. "Fair Share" offers, instead, 100 per cent *encouragement* to take a job, and that is the kind of booster power we must have if we are ever to get this American society-saving missile off the pad.

Let's look at a table that shows how much better off a family of four would be under "Fair Share" than it would be under the reform proposal with its 50 per cent work discouragement.

Earned income	Welfare reform	Fair share
0	1,600	2,600
720	2,320	3,320
1,000	2,460	3,600
1,500	2,710	4,100
2,000	2,960	4,600
2,500	3,210	5,100
3,000	3,460	5,600
3,500	3,710	6,100
3,920	3,920	5,520

The recipient of reformed welfare who somehow fought his way to an annual income of $3,920 despite the 50 per cent benefit deduction on everything he made over $720 would at that point have $3,930 in his pocket. He would have been dragging a 50 per cent ball and chain ever since he passed the $720 mark and now would be receiving no benefits at all for his tremendous effort.

But consider a recipient who adds his "Fair Share" of $2,600 to earnings of $3,920 to support his family of four. He has $6,520. Assume he takes the ordinary 10 per cent deduction plus $2,400 for members of his family and pays a surcharge of 20 per cent as all taxpayers would be required to do to finance the program. At present rates, he would return to the government $635.47 in taxes and still have $5,884.53 in his pocket.

He would have had *full incentive* to climb the ladder of earning power because as he climbed, his spendable income would have risen with him rung by rung.

REDUCE TAXES FOR MOST

It will not be until the higher brackets are reached that the "Fair Share" allowance is canceled out by increasing income taxes.

Those with low income receive the greatest benefit which goes hand in hand with incentive to earn.

And because "Fair Share" both gives and it takes—it gives in allowance and takes in taxes—it will pay for itself; these taxes plus *the money saved by scrapping the bureaucratic anti-poverty programs* that cost an estimated $50 billion a year would balance the "Fair Share" payments.

Admittedly, because of the 20 per cent income tax surcharge on present rates needed to get "Fair Share" started, persons in the highest brackets would at first pay more than they are paying now. But eventually they too, would benefit as America recovered its economic health and more of the people would be in a position to contribute taxes and the tax rates could be lowered.

CHECK INFLATION

Millions of persons now on welfare will instead be encouraged to seek jobs. They would begin to fit again into society, to perform services, to manufacture articles for sale. The Gross National Product could rise dramatically to a point where the value of the dollar would no longer be attacked by the threat of inflation.

Gone forever into the limbo of unhappy economic experiments would be the cost of welfare workers who are misusing their talents to examine shoes, poke mattresses and scan cupboards to determine if a person is entitled to relief. Gone with them would be the ghettos born of the rush to be where the handout is biggest.

"Fair Share" protects every American citizen from destitution simply because he *is* an American citizen. He would be able to hold his head high, to put his heart, his mind, and his hands to the business of earning a better living.

Mr. ROUDEBUSH. Mr. Chairman, we have before the House today welfare reform legislation which aims to revamp the chaotic welfare system in the Nation.

I certainly concur that there is ample need for improvement in our welfare program which has grown like Topsy and has placed a very heavy tax burden on our citizens.

All Americans share the concern and sympathy for the less fortunate in our society, but at the same time it is difficult for our productive and hard-working citizens to accept a system that seems to actually encourage indolence and dependence on assistance even though employment and the ability to work is available.

We are all willing to assist those who by physical disability or by economical circumstances cannot find work. But a new plan that will, according to some estimates, nearly double the number of persons receiving welfare does not appear to offer reform, but instead seems to be an expansion of an already ponderous and expensive program.

Therefore, rather than further compound the problems of the present program, it is my intention to oppose this legislation.

I do not think the Federal Govern-

ment should be the encourager and multiplier of the welfare "way of life" in this Nation.

Our citizens will never turn away from those honestly and sincerely in need of assistance, but to tax our productive citizenry exorbitantly to prolong and expand an already misused program, is not good legislation.

Mr. ANNUNZIO. Mr. Chairman, many of us have long looked forward to the opportunity to contribute toward the passage of basic welfare reform legislation. Therefore, I would like to commend those who have paved the way for today's vote on H.R. 16311, which will make very important structural changes in our present welfare system.

In particular, I want to call attention to the contribution of the Honorable WILBUR MILLS, whose role as chairman of the Committee on Ways and Means was crucial to the development of the proposal which is now before us. The committee, under the leadership of Mr. MILLS, worked both quickly and successfully in studying the proposal made by the administration and making amendments to strengthen it. The chairman is to be commended for his very constructive leadership for welfare reform.

The bill before us is a good one. It does not please everyone, but surely we must recognize that welfare legislation never will please everyone, whatever it contains. It does, however, go very far in the direction of rationalizing our present irrational system. It also introduces a much-needed element of equity into determining eligibility for—and the amount of—welfare assistance which families throughout the country are entitled to receive.

I have been concerned about the growing crisis in welfare for some time. In August 1967, Cook County began a growth in the number of recipients of aid to families with dependent children which was unprecedented, and which has not yet begun to slow. The number of families receiving AFDC in Cook County increased nearly 20 percent in the last year. Overall, the county now includes about 380,000 individuals who are receiving some kind of cash welfare assistance. We now have slightly more than two-thirds of all the welfare recipients in the entire State of Illinois.

What is distressing about all this is not only the numbers, but the human misery behind the numbers. A substantial number of those now on welfare, both those new to Chicago and old-time residents, might never have had to ask for assistance, or might have worked their way off by now, if we had a system which helped them at the time and in the way that they needed it.

We know that our public welfare system, although created to promote the general welfare, has in some ways undermined it. It has—too often—provided too little assistance for those in desperate need. It has—too often—promoted inequities both for welfare recipients and for taxpayers. And, finally, it has failed to provide assistance and incentives designed to promote family stability and independence.

H.R. 16311, the Family Assistance Act, is not a cure-all for the problems of poverty in this country. However, it constitutes a major departure from previous policy, and moves very definitely in the direction of providing a national floor for welfare payments, removing the discrimination against families in which the father is present and working, and toward uniformity in eligibility requirements.

The bill would provide at least $1,600 a year for a needy family of four, regardless of where in the United States it lived. This basic payment would be supplemented in several ways, depending on the family's circumstances. The working poor, who would be eligible for assistance for the first time, would, of course, supplement the payment through their earnings. Other families would, in all except a few States, be eligible for State supplementary payments. And all poor families would be eligible for food stamps to add to their cash income.

In addition to providing a minimum standard of assistance payments, the proposal contains very promising provisions for work incentives. The provision for disregarding certain earned income should give recipients strong economic incentive to maximize their incomes through employment.

I believe the manpower training features of the bill will also be of immeasurable value to those who need an opportunity to improve their employment potential. In Cook County we have had extensive programs for training recipients of AFDC in the past, but our efforts should be manifestly more effective under this new legislation. The bill makes possible a mobilization of all kinds of services to assist individuals in training for and finding jobs, and we know from experience that it is this kind of comprehensive approach which welfare recipients often need.

Perhaps the most valuable of the supportive services which the bill provides is for expanded child care services. Many people fail to realize that a large number of mothers on welfare are already working, but are haunted by the constant worry that their children are not being properly cared for. Many more mothers want to work, but have refrained from seeking employment because they could not arrange for appropriate child care.

The Family Assistance Act would assure that all mothers who participate in employment or training under the family assistance plan would have appropriate child care. It is estimated that 450,000 child care openings would be provided under the bill, including 150,000 for quality preschool care and 300,000 for after-school care.

The bill would also provide a greatly improved program of assistance for the aged, blind, and disabled. These people, who are the most disadvantaged of all in our society, would be assured a minimum welfare standard of $110 for each individual, or $220 for a couple. This standard, which was increased substantially by the Ways and Means Committee above the administration's proposal, will make it possible for many more Americans to live with some measure of decency and dignity.

Another major improvement in the bill is the strengthened role of the Federal Government in the administration of welfare assistance. The Federal payments for family assistance recipients would be made by a new Federal agency which could draw upon other Federal resources to assist it in making eligibility and payment determinations. For example, the vast record and computer resources of the Social Security Administration could be used to check earnings statements for purposes of family assistance.

By having the plan administered by the Federal Government, we can end the very wide discrepancies which have existed in the past in welfare determinations by the States. We can introduce a much needed uniformity, and a greater assurance that poor families will be treated in a dignified and fair way.

The Ways and Means Committee also improved the likelihood of having Federal administration of the State supplementary payments and of the adult programs by providing 100 percent Federal funding for the costs of administration in those States which make agreements with the Federal Government for Federal administration. This is another step toward equity and rationality in public welfare.

Mr. Chairman, the Members of the House of Representatives, Republicans and Democrats alike, cannot lose the opportunity now before us to legislate basic welfare reform. We have castigated the present system for years. We know its failings and weaknesses. We know that we cannot in good conscience let it grow and fester, and further contribute to our social problems.

H.R. 16311 offers a new and promising alternative. It does, as I have already outlined, accomplish some very important reforms: First, it eliminates discrimination against working poor families; second, it offers incentives to training and employment; third, it establishes Federal standards and requirements to promote equity among the States; and fourth, it provides new Federal machinery to improve welfare administration.

I believe this bill, as reported by the Committee on Ways and Means, constitutes the kind of reform we have long been seeking. I strongly support its passage.

Mr. LLOYD. Mr. Chairman, our present welfare system is not succeeding and needs change. This is a generally accepted judgment and is supported by a margin of more than 6 to 1 by those citizens in my district who have responded to my inquiry. The question before us now is whether the costly changes proposed by the legislation before us constitute the proper solution. Actually, no one can say. Each of us must be guided by what seems to us to be the best evidence and by our own conscience in the matter as influenced by our individual search.

For our free system with expanding opportunity to survive, it is necessary that it be responsibly bulwarked by proper recognition of and aid to those who, through misfortune or circumstances generally beyond their control, are living or raising families under conditions of exceptional poverty and wretchedness.

Our present welfare system is failing and getting worse. Particularly is this

true in the case of families with growing children where the head of the family is either unemployable or failing to be charged with clear responsibility to go to work. Cost of our present system is about $4.2 billion annually. The cost of this system which is generally acknowledged to be failing in important ways is projected to rise to $12 billion annually in the next 5 years, according to the Departments of Labor and Health, Education, and Welfare. This Congress is faced with the challenge to act to acknowledge this failure of the present welfare system and to adopt a system which has prospects for success rather than the certainty of continued failure. It is time we stopped going downhill and that we find a path that goes up the hill, and we must run the risk, in my opinion, that the uphill path will be a costly and difficult one. But at least we will have the satisfaction of trying to fight our way up rather than continuing the easier road down.

This decision to decide on what I consider to be the upward leading path has not been an easy one for me or perhaps most of us, because the difficulties of this course are plain to see and we cannot even be sure such a course actually is an upward one. I am under no illusions. This plan, too, may end in failure. The Nixon administration has, however, conducted exhaustive research and has recommended this course without reservation. The greatly respected Ways and Means Committee of this House has conducted its own inquiries in depth and urgently recommends this course to us. We have ample testimony and ample evidence from qualified witnesses that this alternative upon which we vote today will in actual fact result in substantial transition to work where idleness now exists.

In making this difficult decision, I have been most mindful of an experience I had during the recent Easter recess. In answer to an inquiry in March of my constituents regarding their feelings on this issue, I received a letter from a citizen of middle to modest income, living in a clean and unpretentious neighborhood in which he stated that he and his wife had worked hard at unskilled and skilled labor for the past 23 years. He said that he was not able to give his children everything they perhaps needed, but that as a result of his work and that of his wife, they were getting along and paying their bills without having much of anything to save except the payment on their mortgage. But they were living in dignity and passing this pride down to their family. He said it was his view and that of his associates and neighbors in similar circumstances that it was unfair to them to add to their tax burdens in order to make increased welfare payments to those who were not willing to make similar efforts to work and to take care of themselves.

It was a very impressive letter to me and I wrote in reply asking that I might meet and talk to him during the recess. While home in my district, he invited me to his home one night, and there I gathered with his neighbors and friends. I am a Republican. This was a Democratic neighborhood. I did not ask them their politics, but I assume they were predominantly Democratic, since those are the clear figures of the district. They were not concerned with politics, however. In this room full of neighbors and friends, they were all devoted to taking care of their own needs. All hard, honest workers on modest income, and every one of these good citizens, without rancor and with good will, told me they believed an increase in welfare payments would increase the desire of many of their neighbors to remain or go on welfare, and add unfairly to the burden of those self-reliant citizens who desired to work and to raise their children in an atmosphere of work and dignity.

Memory of that evening has remained strongly with me making it even more difficult to reach the decision to vote for this bill. I can only say to them that my decision is based on the fact that I believe we have more chance of putting these idle people to work under this bill before us today which demands registration for work and willingness to work at suitable employment as a condition to receiving public welfare.

As to the charge by others that this represents a "guaranteed annual income," my reply is that in my view this legislation represents a conditional payment, conditioned upon willingness to work. As to a guarantee to those unable to work and unable to take care of themselves, we already have this type of guaranteed payment in every one of the 50 States, and by this bill we are merely acknowledging that conditions of poverty and wretchedness exist and we are raising our priorities in relation to aid and encouragement to this unfortunate segment of our society, and as I stated at the beginning, we cannot expect a healthy capitalistic, free system to survive if we do not establish this bulwark against actual misery.

The most expensive part of this legislation is the addition of the working poor to the welfare rolls. To the annual minimum guaranteed payment of $1,600 per year to a family of four—$500 for each parent, $300 for each child—we are adding the right to work and earn money up to $720 per year. Beyond that, 50 cents of each welfare dollar is deducted for each $1 earned, and the complete transition from welfare to self-reliance is reached at $3,920. This is not a perfect formula, but to allow the recipient to retain more than 50 cents would add improperly to costs of the program, and to require him to deduct more from his welfare would discourage him from working. I am not satisfied with this formula, but I know none better and we will have to learn from experience in order to make needed corrections.

To allow and to encourage the welfare recipient to work to supplement his income seems only civilized to me and we must face the initial cost of carrying the welfare recipient in order to promote him to self sufficiency.

There is widespread impression among many of my friends that the welfare rolls are filled with lazy persons who would not work. There are some, but the proved percentage is very low. Of all those on welfare, the figure for these individuals in my State, for example, is 6.7 percent. For those "lazy persons who would not work," this legislation has an answer, which is "work, or else." This applies to females who are heads of families and whose children are above 6 years of age. Our present welfare program contains no such ultimatum.

In conclusion, our present system is an economic and social disaster. If it continues unchanged, it can only lead to higher costs, more broken homes, and hopeless numbers of otherwise employable people living off Government welfare. The family assistance plan offers an alternative—an alternative which I believe I should support as Congressman from my Second Utah District, not because it offers a sure solution, but because it offers what my personal research and instincts lead me to believe is a better way, with reasonable hope of less cost in the long run than the present program, and with reasonable hope that there will result greater proportionate employment and less proportionate dependence on Government.

Mr. BRADEMAS. Mr. Chairman, I take this minute to read the text of the following letter to me dated March 16, 1970, from the distinguished former Secretary of Health, Education, and Welfare, the Honorable Wilbur J. Cohen, now dean of the School of Education at the University of Michigan and a recognized authority on welfare programs.

As sponsor of H.R. 13520, the Comprehensive Preschool Education and Child Day Care Act, which is now under consideration in the Committee on Education and Labor, I asked Mr. Cohen to comment on the relationship between that bill and the day care provisions of the bill under consideration today, H.R. 16311, the Family Assistance Act of 1970.

Here is Mr. Cohen's letter:

THE UNIVERSITY OF MICHIGAN,
SCHOOL OF EDUCATION,
Ann Arbor, Mich., March 16, 1970.

Representative JOHN BRADEMAS,
House of Representatives,
Washington, D.C.

DEAR JOHN: This is in further reference to your request for my views on the relationship of your bill, the Comprehensive Preschool Education and Child Day Care Act" (HR 13520) to the Family Assistance Act of 1970 (HR 16311).

I have studied both bills very carefully and I find that the provisions of your child development bill are in no way in conflict with the Family Assistance legislation. In fact, your legislation is supplementary to the day care provisions of the Family Assistance program. As I see it, the child development provisions in your bill would provide the financial authorization for services to persons not on the family assistance rolls, and provide the basis for an educational and learning component which is so important.

The regulations of the Department of HEW which I approved during my tenure and which are still in effect provide for a mechanism to coordinate any and all day care and preschool programs, thus assuring that there will be effective cooperation among programs for those children on the family assistance program and those who are not.

I strongly favor the provision of your bill encouraging parent involvement (section 6(d)(9)(5)). I hope this feature will be implemented in the Family Assistance program.

I strongly support the objectives of your proposal. If there is anything else I can do please let me know.

Sincerely,

WILBUR J. COHEN, *Dean.*

Mr. Chairman, I am glad to say that the distinguished chairman of the Committee on Ways and Means, the gentleman from Arkansas (Mr. MILLS) has read Mr. Cohen's letter and has advised me that he agrees with the interpretation in this letter on the relationship between the two bills.

Mr. ICHORD. Mr. Chairman, like every other Member in this Chamber, I am highly discontented with the operations of the present welfare program. During this debate, several Members have characterized the present program as a "mess." With that characterization, I wholeheartedly agree. The present program has had the effect of destroying the will to work on the part of many welfare recipients. We need a new program—a new direction.

I believe that this legislation is an earnest effort on the part of the majority of the members of the Committee on Ways and Means to combine a "carrot and stick" approach to get welfare recipients who are able to work off the "welfare rolls" and on the "payrolls." There are many provisions in the legislation which would lead me to vote for the same. The establishment of a nationwide floor is definitely desirable. The "carrot" is provided in the form of incentives to work. The "stick" is present in the form of requirements on the part of certain recipients to either work or train to work. However, when I examine the specific provisions of the bill, I must conclude that the "stick" has not been fashioned sufficiently strong to reach the objectives so meritoriously sought. In fact, the "stick" in at least one instance is used to encourage the welfare recipient to have more children in order to stay on welfare. The distinguished chairman of the committee has stated that 75 percent of 1,700,000 aid to dependent children families now receiving welfare are families where there has not been a marriage. This bill, I fear, rather than alleviate the present situation will operate to make matters worse. Why? Because of the provision exempting the mother of children under 6 years of age from having to work or training for work. Under the present program, the only possible incentive for the mother to have another child is the additional money she would receive for the child. I doubt that the small amount of additional money she would receive would operate as an incentive. But, under this legislation, if the mother does not have another child she is required to work or train for work. This, in my opinion, is using the stick to induce the mother to have further children. Rather than improve the situation, I believe we are burning down the house to destroy the rats. With the closed rule under which we are considering this bill, there is no opportunity to correct this most ill-advised provision. I must, therefore, cast my vote in opposition and I hope that the Senate in its consideration of the measure will fully appraise the ramifications of this exemption.

Mr. ROTH. Mr. Chairman, I am certain there is general agreement in this Congress that the present welfare system is badly in need of revision. In my judgment, however, it is of primary importance that we look before we leap.

Certainly, the President's proposal of the Family Assistance Act of 1970 is new and imaginative, and may indeed be what is needed to find our way out of the present welfare mess. I heartily commend the President for his efforts. Indeed, we are told that this legislation will get people off of welfare and put them to work. We are told that it will eliminate the seemingly paradoxical "incentives" of the present program, which seem to encourage the breakup of families, to penalize industriousness, and to create dissension by arbitrarily providing assistance to some of the needy while denying it to others.

If these benefits will be realized by the passage of H.R. 16311, then it will truly be a landmark piece of legislation. But I would ask this particular question: How do we know? A small number of similar but limited programs have been tested, but much of the data from these experiments is inconclusive. I suggest that a full-fledged pilot program should be instituted so that the family assistance plan can be adequately tested and studied for at least a year, in one or more States with major cities, before we commit ourselves to a program that might create a welfare mess greater than that with which we are now confronted.

Many questions must be answered, and in my judgment the answers will be available only after we put the family assistance plan into existence on a smaller scale and examine the results. To what extent might the Family Assistance Act undermine the work motivation of the millions of new recipients—the working poor—who will be added to the welfare rolls? Does this bill's implicit tax rate on other income really offer the best work incentive for the least cost? Will the employment and training programs in H.R. 16311 really be effective in moving people off the welfare rolls, or will they, like the similar provisions in present law, prove to be little more than expensive window dressing? As a practical matter, will the mandatory work provisions be effective, or will recipients who are so inclined be able to evade them? Will this bill help to heal whatever animosity there may now be between welfare recipients and the working poor, who are ineligible for welfare? Or is it possible that any such animosity will be deepened when both groups are eligible for welfare but the working poor are excluded from State supplemental payments and from the benefits of the medicaid program?

Indeed, will a guaranteed annual income actually promote work? What requirements will be necessary to clarify the term "suitable" employment? In this time of financial stress, do we have the resources to fund the program adequately? Are adequate provisions available to account for the different standards of living in urban and rural areas? And, perhaps most important, what will this legislation cost the Government in 5 years, or 10, or 20? I raise this last question because of our unpleasant experience with the skyrocketing costs of the medicare program. According to the Bureau of the Budget, the cost to the Federal Government of "providing or financing medical services" has increased an estimated 1,000 percent since 1966, accounting for approximately 15 percent of the entire increased Federal expenditure since that time.

The immediate cost of this program also concerns me. It is estimated that during the first full year of operation, the family assistance plan will cost the Federal Government an additional $4 billion, above and beyond the current Federal expenditure of $4.2 billion annually. An additional $4 billion of spending by the Federal Government in what still might be an overheated economy will not help ease our financial crisis. It is estimated that under the current welfare system costs will rise to $8.8 billion by 1975, double the present outlay, and I think we need to be very certain that a program of "workfare" will lift people off the welfare rolls to avoid the possibility that this program, too, might cost twice as much in 5 years.

Let me stress exactly what my thoughts are. Perhaps the Family Assistance Act is workable and practical, and it certainly is innovative. To take such a giant step—at least in its present form—demands in my judgment much more documentation and many more facts than we now have at hand. I suggest, therefore, that this Congress give careful consideration to the idea of instituting a fully funded and legally authorized pilot program before we take off, since I am certain none of my colleagues would want to take a ride in an airplane that had not yet been flight tested. If such a program is instituted, and if the basic concepts of the Family Assistant Act prove workable, then this proposal can safely be made a permanent replacement for the present welfare system.

I would like to add one further thought. As yesterday's vote indicated, a number of my colleagues and I deeply regret that consideration of this legislation is limited by a closed rule. Such a rule prohibited not only possible amendment of the legislation to improve specific sections but also denied us the possibility to propose immediately what I believe to be a needed pilot program.

Mr. TAFT. Mr. Chairman, I want to express strong support for H.R. 16311, the Family Assistance Act of 1970. As a welfare board member, as chairman of the Hamilton County Council of Social Agencies, as a State legislator, and as a Member of Congress, I have had personal contact with the hardships to people and the problems of society crowded or aggravated by the deficiencies of our existing welfare programs.

This measure proposes a broad frontal attack to correct family disruption, disincentive to work, inadequate levels, welfare-motivated desertion and migration, and a lack of adequate training and day care facilities. It may develop some problems on its own. Any comprehensive measure of this sort would be almost certain to do so, but it is, at least, a courageous assault on monumental existing difficulties, and represents an honest attempt to adapt our institutions to meet

realistically present-day needs and challenges. The alternative is to stand by and watch family relationships deteriorate further, the relief cycle of generation to generation to continue, and the burden on our States, and metropolitan areas mount.

Much has been said already about the bill's provisions, I would just like to add emphasis that the approach of this legislation may well have the effect of stemming the flow to the cities of those in need of help and opportunity. It would do this by enabling our working and our nonworking poor of the nonurban areas to maintain a minimum standard of living where they are and thus to encourage the development of such areas commercially and as labor plentiful areas.

Mr. FUQUA. Mr. Chairman, the debate here today has contained much comment that we are revising our present welfare program. Well, there is no question that our present welfare program is in need of drastic revision, but this is not the answer.

What we are actually doing here is an entirely new concept which will add millions to the welfare rolls at a cost of billions of additional dollars to the American taxpayer.

I believe with many other Members of the Congress that the priorities of this legislation are wrong. They are: cash first, food second and work or productive lives third. I believe that there should be a reversal of these priorities, that our thrust should be to help people lead productive lives and secondly to provide food for the needy, and cash third.

Little has been said about the fact that an estimated 12 million persons could be added to the welfare rolls and the Federal cost of the program increased by as much as $5.5 billion.

The American people have simply not been told the facts about this proposal.

We need emphasis on job training so that those who are able to work can do so and not be relegated to the welfare rolls.

A guaranteed annual income would not serve as an incentive for an American to make a contribution to our society. Many will find that it is more advantageous to sit idly by while they receive a monthly dole from the Federal Treasury, making no effort to lead productive lives.

This is more of the something for nothing philosophy. The American people are going to be shocked when they understand the additional costs which they must pay through their taxes for this program.

Another thing that disturbs me is that once we start with this type of program, the only way it will go is for an increase in expenditures. And we are either going to raise taxes to support such a program or else suffer more deficit spending.

We need to improve our welfare program. We need to be concerned about the plight of the blind, the physically handicapped, the helpless child, and all of the other unfortunates of our society.

At the same time we have an obligation to make every effort to allow and encourage every citizen who can make a contribution to do so. This program, if adopted, will prove to be an expensive mistake and I hope that the Members of the Congress will vote against its passage and begin immediately to revise our present welfare laws to eliminate some of the inequities to truly serve the plight of the needy and those who will have to pay the costs of any such program.

Mr. MURPHY of New York. Mr. Chairman, for more than a generation, welfare programs throughout the Nation have grown in size and cost, but accomplished precious little in reclaiming human resources, providing dignified assistance to those genuinely in need, and providing a ladder out of poverty for millions of Americans. Indeed, these systems have been counterproductive—they have served to lock people into poverty and despair, rather than lift them out.

No single piece of legislation in the past 25 years has been as critical to the problem of welfare as the bill we are considering today, the Family Assistance Act of 1970. I strongly support this bill, and I extend my congratulations and compliments to Chairman MILLS and the members of the Committee on Ways and Means for bringing this vitally needed legislation before us.

I have long favored a greater Federal assumption of responsibility and participation in welfare programs because I believe that the Federal Government is the only instrumentality capable of tackling the problem on a national basis. The lesson of a generation is that no other solution will work, because poverty knows no regional, sectional, or other jurisdictional boundaries. It is truly a national problem, requiring a national solution.

Over the years, the large urban areas of America have borne the brunt of the national problem without having the national resources needed to provide effective and productive welfare assistance. Our cities can no longer be expected to shoulder this burden alone.

In my district in New York there is wide-ranging support for this bill—among those who must receive welfare, and among those who do not. All recognize that the existing situation is intolerable and should be changed. They recognize that only under the Federal plan will the welfare system fill the needs of those who it is intended to serve, and distribute the burden evenly throughout the Nation.

This legislation establishes a family assistance plan with Federal eligibility standards and benefits for families with children, and also provides standards and minimums for aid to the aged, the blind, and the infirm. National standardization will stop the drift of poor into the already intolerable ghettos of the cities, and give hope to those who subsist on welfare.

It is important to note that this new approach to welfare contains strong requirements for Federal work-registration and referral-for-employment procedures. The bill authorizes a new work-incentive program, and provides for additional day-care facilities. These important provisions will insure that those on welfare who are capable of working will work. There will be no more opportunity for those who have used the present system incorrectly to live on the system without a genuine effort to find and hold employment.

Support for this legislation has come from many quarters. The AFL–CIO supports the bill, and notes that it contains important labor standard safeguards. The American Labor Alliance, the National Association of Manufacturers, the National Association of Senior Citizens, and the Urban Coalition are on record in support of the national assumption of the welfare burden, and of the Family Assistance Act of 1970.

A major point of controversy in consideration of the bill has been the question of adequacy of income levels authorized by the bill. Some have argued that the guaranteed minimums are too low; an equally sincere number of people have argued for lower minimums. It is my belief that the levels contained in this bill are adequate for the initiation of the program. Of course, it is impossible to project with 100-percent accuracy how well these levels will work. However, the Congress is certainly free to adjust these levels as the future warrants—up or down—and the program should be permitted to operate for a time on the levels established by the bill.

The family assistance plan is a vitally needed first step toward the elimination of poverty and despair in America. It will give new hope to those on welfare—hope for a brighter future, filled with dignity and promise. It will also herald new hope for those in our society who support welfare, but understandably demand that the money and energy spent truly work for the elimination of poverty. The burden on these Americans will be eased, and the future of those on welfare brightened. I strongly support this legislation, and heartily commend it to my colleagues.

Mr. DERWINSKI. Mr. Chairman, we have had thorough debate these past 2 days on the merits of this legislation and I believe that the debate was consistently objective.

It is obvious that there is legitimate doubt as to the workability of the program, as well as legitimate concern over the cost and ineffectiveness of existing programs.

I was impressed by the argument that the existing welfare programs could and, therefore, were not being effectively administered and the proposal before us was at least a practical alternative.

After carefully reviewing the figures presented in the committee report and interpretation of the figures that many critics of the bill have produced, I am convinced that instead of replacing the welfare program, we are adding a new dimension to the welfare burden. Therefore, I will cast my vote against the measure, emphasizing that the questions raised by many Members have not been effectively answered.

May I also direct the attention of the Members to the possibility that the Senate will make drastic revisions of this plan, adding new costs, and administrative complications to it and the House

conferees will be hard pressed to maintain the House position against the other body in the conference.

I am afraid the bill as drawn will substantially increase the tax burden of the residents of Illinois and other States, due to the great number of people that will be added to the welfare rolls. In turn, incentives to work will not produce the results needed to remove people from the rolls.

The bill does not contain enough emphasis on incentives for people to remove themselves from assistance rolls and, therefore, we are not solving the welfare problem through this measure but unfortunately compounding it. Therefore, for these and other reasons I will reluctantly cast my vote against the measure.

Mr. HALPERN. Mr. Chairman, the decade of the 1960's brought many of our social problems to the forefront, but none of them have struck our minds and our consciences more forceably than those involving our system of public welfare. We have become ever more aware that our present system has not provided the kind of support and incentives which poor families in this country need.

It is gratifying, therefore, that positive action toward welfare reform has been initiated by the administration and is being considered by the Congress. I believe that the Family Assistance Act, which we have before us today, will create a genuinely constructive welfare system. Its major purpose is to strengthen families, and by so doing it will strengthen our entire social structure.

Our present program of aid to families with dependent children, which is the public assistance program designed to assist families with children, has a number of basic flaws. First and foremost, it does not, in some States, provide even a a subsistence level of welfare payments. It is, therefore, creating an ever-growing future welfare population through its failure to sustain the present one. Seriously deprived children, as we know, all too often grow into deprived adults who cannot hold their own in today's world.

Second, although it provides money, it does not provide additional kinds of encouragement and help to families in need. It has not helped adults prepare for and find employment, it has discouraged them. It has not helped people build their own secure futures, but has encouraged them to fall back on the security of a welfare payment. It also has embodied strong incentives for family breakup.

In short, what should have been a constructive program, has in fact been destructive. The many billions of dollars which we have invested in welfare have brought a bitter return.

H.R. 16311 represents a turning point in our efforts. It establishes the goal of encouraging stable and self-sufficient families, and provides the machinery to achieve this goal.

Perhaps the most important, and certainly the most controversial aspect of the proposal is for cash assistance to the working poor. The family assistance plan would cover some 20 million people, instead of the 6.7 million who are now receiving AFDC. This is an impossible hurdle for some. The very idea of helping so many millions of individuals is abhorrent to those who believe the only proper goal of a welfare program is to eliminate itself.

And yet, the President has stated, and as the Committee on Ways and Means has agreed, coverage of the working poor is a necessary investment in the future. By helping poor families in which the father is employed we are not simply providing them with needed cash assistance for the moment, we are helping those families retain their viability, and we are reducing the incentive for fathers to leave their families in order to qualify them for welfare.

We all recognize that one of our major causes of poverty and of many of our social ills is the broken family. One of the greatest contributions which we can make to the public welfare is to help families stay together. This bill would help them. And if the cost is great, I believe it is nonetheless a cost we must accept. It is, in any case, a far lower cost to society than the alternative of allowing the problems of our existing system to continue to grow.

The proposal also contains incentives for all families on welfare to undertake manpower training and to become employed. Much has been learned from the experience of the work incentive program in the last 2 years, and the new manpower provisions represent an improvement over existing law.

The bill would require all adults, with certain specified exceptions, to register with the employment service. This procedure would eliminate the current problem of irregular and uncertain referrals from the welfare agencies to the employment service.

The bill would also require the employment service to provide vital services to each individual who registers. An employability plan would have to be drawn up for each person, and a whole range of rehabilitative resources would be drawn upon in order to help the welfare recipient to be trained for and to find a suitable job.

Individuals who enter training will receive a training allowance. Perhaps even more important, mothers who require day care services for their children in order to participate in work or training will be provided them. The bill makes possible a major expansion of day-care resources by authorizing the Secretary of Health, Education, and Welfare to pay for up to 100 percent of the cost of necessary day-care projects.

Studies of the present work incentive program have shown that one of the major impediments of welfare recipients to entering or retaining employment is the lack of adequate child-care facilities. This bill would work toward eliminating this impediment, and at the same time provide the kind of quality child-care services which many disadvantaged children need. The bill envisages preschool child-care programs which will include educational, medical, nutritional, and social services. In this way, too, it will reduce the likelihood of rearing a new generation of welfare recipients.

The bill moves toward a greater federalization of welfare, and I believe that welfare recipients throughout the United States will benefit from this. A new Federal payment floor is established, and welfare recipients who live in the States which now pay amounts below that floor will benefit very obviously by being eligible for a higher cash payment. But needy families everywhere will benefit from Federal administration of family assistance payments and from the new Federal standards for eligibility. The family assistance plan will introduce greater equity, uniformity, and dignity into the treatment of welfare recipients.

The States will benefit, also. They can, if they choose, elect to have the Federal Government administer the entire welfare program for them, retaining only the obligation of providing supportive services to welfare recipients who are in training, and of contributing their share of the cash assistance payments.

Hopefully, then the proposal will help to equalize the current welfare burden among the States, at the same time that it contributes toward greater equity for welfare receipients.

Although I have concentrated my remarks on the provisions of the bill which relate to families, because as we all recognize that it is the heart of the welfare problem, I am also in strong support of the provisions which relate to the old, the blind, and the disabled. The new Federal minimum standard of need will be of very great assistance to this group of needy individuals. A payment of $220 for a couple, which is provided by the bill, will enable many to move out of poverty. This is surely the least which we can do for them. The new liberalized provisions relating to earnings exemptions will be of great help to those who are in a position to undertake employment, and will also encourage them to do so.

By combining the three existing adult programs into one single program and providing for Federal eligibility requirements, we will be promoting greater equity and uniformity for this group, just as we will be for recipients of family assistance.

Mr. Chairman, this bill has strong merits. Probably every Member of the House has some point, major or minor, with which he disagrees and would like to change. But the administration has worked long and hard over the bill. The Committee on Ways and Means has spent months in public hearings and in executive session refining the proposal. And we have now a well thought-out package of true welfare reform.

There will, in the future, be improvements which we will want to make. But I am satisfied that the bill moves in the proper direction. Levels of assistance will certainly have to be reconsidered in the future, as the administration has testified will be necessary. But the family assistance plan can stand now as a solid social program which will benefit both the needy and the general public. I urge my colleagues to join with me in voting for H.R. 16311.

Mr. MONAGAN. Mr. Chairman, I am supporting H.R. 16311, the Family Assistance Act of 1970.

The President has urged the passage of this bill as a means of reducing welfare loads and his request and assurance are entitled to great consideration.

Although there are many debatable points about this legislation, there are two principal considerations which impel me to support it. One is the fact that the proposed method of providing for poor families may bring about the elimination of the scandalous defects in the aid to the dependent children program. Certainly the present system has proved to be a disaster and I agree that we must embrace any reasonable alternative.

The serious shortcomings of the welfare system in its present form are obvious. In operation the system fosters family breakups, it encourages benefit recipients to stay on welfare by failing to have workable incentives and provisions for becoming employed, and it has failed to slow the steady movement of needy families from State to State in search of higher welfare payments. In short, the present welfare system is unworkable; it definitely must be changed in the direction of encouraging employment and family stability. No one can guarantee, of course, that this will work but I am convinced that we must try this method. It is significant, I think, that no one has offered any alternative.

The second important point is the provision in this bill for a reduction of variations in payment levels among the States through the introduction of a Federal floor for family assistance payments. This provision should help to eliminate the flow of people to the most generous States, such as Connecticut, where payment levels have been markedly higher. This is an objective which I have advocated for a long period of time and it would have a marked effect upon the increasing welfare rolls in the State of Connecticut.

In the first session of the 91st Congress I introduced legislation to require the establishment of nationally uniform minimum standards and eligibility requirements for public assistance, and I am gratified to see that my proposal is included in the provisions of this bill. The uniform eligibility requirements coupled with standardized welfare payments will help correct inequities in the present system which have resulted in my own State of Connecticut spending a staggering 30 percent of the State's gross general fund expenditures for gross welfare expenditures in 1968–69.

One of the most significant innovations of this proposal is to require that, as a prerequisite to receipt of benefits, every adult in assisted families register at an employment office for work or training or sign up for vocational rehabilitation. Although work incentives were put into Federal public asistance programs by major legislation in 1962 and again in 1967, the incentives have not been effective and there is a continuing need to tighten provisions tying the receipt of benefits to a firm commitment to work.

It is the children, our future citizens, who are my concern. In them lies the hope of tomorrow. If we can contribute to greater stability in the family and eliminate the financial encouragement for fatherless families, I believe that we are taking a major step in the right direction, and I am convinced that this plan should have an opportunity to be tested.

Mr. STOKES. Mr. Chairman, that evening last August when President Nixon announced his proposed welfare reform plan, a national radio network asked me to perform one of those "instant analyses" which later became so unpopular with the administration. My very first comment on the President's suggestions was that parts of the proposal should be recognized as meaningful and progressive, while others should be exposed as mere continuations of the atavistic mentality which created the current welfare problems in the first place. Eight months and innumerable contentions later, I find that my view has changed very little.

There is no question that the President deserves credit for opening up the issue of welfare reform and for a number of the specific recommendations in his bill. The minimum Federal payment guarantee, the inclusion of the working poor in the programs, and the nationalization of eligibility standards are all desperately needed changes in the present AFDC system.

The House Ways and Means Committee should likewise be complimented for several improvements they fashioned in the original proposal. I was especially pleased that the base payment for aid to the aged, blind, and disabled was increased by over 20 percent. The added incentives which should result in Federal administration of the entire family assistance program was also a very necessary betterment, as was the elimination of 10 percent local matching requirements for day-care centers.

Collectively, these suggestions mark a significant forward thrust in the Federal Government's attitude concerning its responsibilities to the poor of this Nation, and for that reason I shall vote for H.R. 16311. Nevertheless, my colleagues should thoroughly understand that this bill falls far short of reaching what those responsibilities ought to be, and that all of us in this Chamber who have worked so long for an adequate welfare system will not be satisfied until they are.

My primary objection to H.R. 16311 concerns the payment provisions, which are inferior even to those in the President's original bill. It is disgraceful, for instance, that the eight Southern States that have done the very worst job of providing for their needy citizens are rewarded in this legislation by allowing them to terminate all State payments.

Mr. Chairman, we have all been presented with documented proof that Americans are starving to death in these States—that children are often forced to eat clay to quiet their empty stomachs. How then can we justifiably turn around and tell those very State governments primarily responsible for creating these intolerable conditions that they need no longer contribute anything to their eradication? Surely no one rationally believes that a welfare mother in Atlanta, Birmingham, New Orleans, or St. Louis can raise her child on the 82 cents a day from the Federal minimum. At least the President's bill required these States to continue 50 percent of their former paltry share. I thought that provision was inadequate—the current one is unconscionable.

Of course, meager though it is, at least AFDC recipients in those eight Southern and border States will receive some increase in their monthly checks—which is more than can be said for recipients in Ohio or any of the other 41 States. If both Houses of Congress would pass H.R. 16311 and the President sign it today, these people would get the same unacceptable pittance tomorrow that they received yesterday. A rather unbelievable result from a bill heralded as a great humanitarian measure.

Moreover, the problems with the bill only begin with the amounts. The working requirements, while somewhat clearer after the committee's action, are still an administrative nightmare. The $30 per month allowable income is barely enough to cover the cost of going to and from the job. The welfare mother with school-aged children is deprived of raising them—the most blatant form of discrimination against the poor. There is no provision for cost-of-living increases. And perhaps most pernicious of all, the whole scheme seems to still be premised on the attitude that the recipient is basically a lazy, booze-guzzling ne'er-do-well—an attitude proved totally fallacious long ago to all who cared to listen.

So, Mr. Chairman, I shall vote for the bill. However, neither I nor a number of my colleagues who believe that poverty should not exist in the richest country in the history of this planet will walk from the floor in any state of euphoria. But we promise you that we will be back.

Mrs. SULLIVAN. Mr. Chairman, apparently a lot of votes are going to be cast for or against this very controversial piece of legislation, the so-called family assistance plan, or FAP, on the basis of hunch, or hope, or of sympathy for the poor or prejudice against the poor, or because of confidence in the judgment and wisdom of the President and Mr. Moynihan, or because of lack of such confidence. Any of these motivations may perhaps be defensible ones for casting a vote for or against this bill but they are not nearly as good reasons as listening to the full debate and trying to make an independent judgment. And, unfortunately, many of the deeply thought-out and well-reasoned arguments on this bill over the last 2 days have been made to a nearly empty House.

NEW DIRECTION OR DISASTROUS MISTAKE?

This is tragic. There is very little other legislation we will consider in this Congress of potentially more far-reaching significance. This bill challenges us to decide if we are on the threshold of a brilliant new direction in solving some of our most serious social problems, or on the verge of an economically and socially disastrous mistake of incalculable consequence.

I have been in attendance throughout the entire debate on this bill, hoping to

find solid evidence that a far-reaching bill so strongly urged upon us by the President and so strongly supported by the Committee on Ways and Means, which includes Members who enjoy the highest degree of respect and esteem among all Members of the House, is one which I could support. I have found no such evidence.

I know from long exposure to the bitter problems in a major city that our welfare program, initiated in the early days of the New Deal to meet what were then well-understood family crisis situations—a program little changed since then except in details—is completely out of date in terms of today's problems. If this family assistance plan had been a part of the original Social Security Act of 1935, it would have made a great deal of sense. In those days, the concept of public asistance was new and people who needed welfare assistance could not wait to find the jobs which would get them off welfare. Most of them would have leaped enthusiastically to take advantage of the opportunity to learn new skills, and would have welcomed supplemental benefits while in job training and then when starting to work, benefits which would have speeded the economic rehabilitation of most of the families then eligible for the kind of help now called for in this bill.

WORK INCENTIVE PROGRAMS ALREADY ENACTED

We made repeated attempts during the Kennedy and Johnson administrations to establish programs to achieve what this bill is now intended by its sponsors to do—that is, to encourage people on public assistance to take training and gradually become self-supporting. The chairman of the Committee on Ways and Means (Mr. MILLS), who played an enormous role in the passage of those programs, referred to them yesterday. The States, he said, have not accepted their responsibilities to make those programs work as intended, and so the results have been disappointing.

Therefore, this bill would place almost the entire burden of responsibility—administrative and financial—on the Federal Government, getting rid of the case-by-case investigation of eligibility and letting people just file a form saying they are eligible and immediately receiving checks from the Government to bring their income up to specified levels.

In view of the degree of welfare cheating which is already regarded by the public as being so widespread as to be absolutely shameful and indefensible, I wonder what public reaction would be to a plan of this nature—where you could just rate yourself as eligible, whether you are or not, and hope the computer will never catch up with you. Catching the cheats is not insurmountable if you have enough computers and enough people to check the computers, but in a democracy even the best-intentioned law cannot survive if there is public conviction that it is being widely abused by chiselers at the expense of the moderate-income taxpayer who has just noted once again this week, with shock and dismay, how high a percentage of his pay is going to Uncle Sam.

PUBLIC UNDERSTANDING AND ACCEPTANCE ARE ESSENTIAL

This is one of the reasons I am so much against turning the food stamp program into a free handout, giving the stamps to people to buy enough food to eat well without having to pay anything for them. It is not the cost of the stamps which disurbs me. We can afford, out of our tremendous abundance of food in this country to help every American to eat a proper, nutritious diet. What worries me about giving the stamps out free is the implication that the Government has the obligation to give every poor family all the food it needs without any cost to it whatsoever, so that the money that family would normally spend for food could be spent for other things.

Once that principle were established, the moderate income family, which struggles to pay its bills and struggles to afford a decent diet, would so resent the idea of other families receiving absolutely free more food than the self-supporting family can afford to buy that such resentment would destroy the basis of public support for any kind of food stamp program.

I feel that this so-called family assistance plan invites a similar reaction—not envy for someone who is needy getting a little help or even a lot of help; rather it is the likelihood of indignation by the taxpaying family that its taxes are being used to subsidize someone who abuses the program.

Most people will gladly pay taxes at personal sacrifice to help children break the welfare cycle. But they insist that any such program be tightly administered to weed out adult chiselers who use the welfare payments for their own indulgence rather than for the children for whom the money is intended. And this is why the aid to dependent children program is in such bad public repute. If I thought this bill would solve the problems, I would not hesitate for a second to endorse it wholeheartedly.

MAIN NEED IS FOR ADEQUATE DAY CARE CENTERS

But throughout the long hours of debate on this bill, I have not been able to see or learn how this bill would solve our real welfare problems. All it would do, it seems to me, would be to give the impression the problems were in some way being solved, as if an income of $31 a week—which is what this bill would assure a family of four, including their own earnings—would unify broken homes, prevent deserting, encourage job training, and so on.

I do not know what the figure would have to be to serve as incentive enough to accomplish those objectives; no one in the debate has ventured to give such a figure. We all know that if the figure were set high enough to really achieve these goals, the sums needed to carry out the program could never be appropriated.

Probably the main key to getting more welfare mothers motivated into taking job training and getting off welfare is to provide adequate—and I mean adequate—day-care centers for their children. This bill does not do that. It nibbles at the problem. I would gladly vote to spend all the money the bill authorizes to be spent for the supplementary benefits if it were used instead to build and operate the kind of day-care center one can find, for instance, in the center of downtown Singapore, but hardly anywhere in the United States. We had such centers during World War II, and mothers gratefully left their young children there each day to take jobs where their skills and hands were needed. If we can do it in a war, we can certainly do it in the achievement of the social objectives of this bill—knowing that we would be cutting right to the heart of this whole issue.

I have never pretended, even to myself, that everyone else is wrong and I alone am right because I know that could not happen in the Congress or anywhere else. But I have deep reservations about this bill after hearing the entire debate—reservations so deep about the eventual direction or cost of this program, compared to its anticipated results, that I have reluctantly decided I must vote against it.

The fact that it would cost so much to do so little, and the fact that the cost of doing what would have to be done if the concept of the bill were really to solve anything would be so prohibitive, fortify my conclusion.

DEFEAT OF BILL COULD RESULT IN BETTER PROGRAM

My whole record in the Congress has been directed toward helping all of our people, and particularly our very low income people, to enjoy a better standard of living. I have often been criticized and even attacked for my efforts in behalf of social welfare legislation, and I have been willing to stand on my record because I think we all prosper in this country only as every American has a decent opportunity to advance himself economically. If I thought this bill would solve any of our serious welfare problems, I would be delighted to vote for it.

Perhaps other Members have more wisdom, more knowledge of this issue, more confidence in the draftsmanship of this program, and do not suffer the same doubts I feel so strongly. I recall that a lot of Members of Congress could not see the good in the social security bill in 1935, and made a partisan issue of it, and voted against it, and of course were wrong. On a measure like this bill, one can imagine that a "no" vote, for whatever reason, might stand forever as a monument to one's lack of foresight. Thus, with so many Members ready to accept this bill, I feel somewhat lonely in taking a negative position, but I think the Members here know that I do not cast my vote lightly on any issue or without feeling in my heart that my vote is the right one. On that prayerful basis, I will vote "nay."

On the unlikely possibility that it might be defeated here, or is recommitted, I am sure the Committee on Ways and Means could give us a bill its members were convinced could do what they know this bill can never accomplish in achieving a real, thorough, reform of our whole welfare program.

Mr. DONOHUE. Mr. Chairman, as we approach a determination on the meas-

ure before us, H.R. 16311, I think we should be mindful of two basic facts.

First, experts of all political persuasions agree that the present welfare system is a tragic failure.

Second, it is the Federal Government's responsibility to try to establish a workable system; one that will restore human dignity to those caught in the welfare trap; one that eases the plight of the taxpayer by moving persons, by work incentives and requirements, from welfare rolls to payrolls; one that preserves, rather than attacks, the basic family structure.

The present program of aid to families with dependent children—AFDC—actually discourages recipients from accepting jobs. In almost all States, allotments are reduced customarily by the amount of family earnings, so that the effect is to put a 100-percent tax on earnings. Even more disturbing, a family with the father employed full time is ineligible for benefits, no matter how small his income or how large his family. This situation inevitably encourages the worker to quit his job to increase his family's income.

Under the measure before us a family's payment will be reduced by only half of total earnings. The principle will be firmly established that a family with earned income from a job will be better off as a result of that job.

As you know, Mr. Chairman, an experiment conducted in New Jersey over the last 3 years confirms the tendency of incentives to encourage people to work themselves out of poverty. An early report on the experiment concluded that—

The work effort of participants receiving payments increased relative to the work effort of those not receiving payments.

Let us realize further that in most States the present AFDC program creates a financial incentive for the breakup of family units. Since families with a male head of household are cut off from any AFDC benefits, a father, by deserting his wife and children, can entitle them to public assistance. How can we hope to survive as an individual nation, Mr. Chairman, and as the leader of the civilized world, if we encourage by Government policy the disintegration of the basic unit of society, the family?

The bill before us would eliminate this family instability incentive, and encourage the father to stay and seek employment.

Also, Mr. Chairman, the wide variation in State levels of public assistance permitted under the present welfare system has placed an unfair burden on those States attempting to shoulder the responsibility for their needy and deprived.

With the family assistance program providing a nationwide set of benefits and eligibility standards, these inequities will be eased, and every State system will be relieved to some extent, with an overall reduction of almost $600 million.

There are many other features of this bill, of course, designed to insure that it accomplishes its goal of moving persons from welfare rolls to payrolls. Able-bodied adults will be required to register for work or work training, unless caring for preschool children or sick adults. Day-care facilities will be expanded, to make it possible for welfare mothers to work while their children get adequate supervision. A nationwide, computerized job bank is to be set up, and manpower programs will be bolstered.

Mr. Chairman, this is in no sense a partisan matter. President Nixon's basic proposals are contained in H.R. 16311, along with significant revisions voted by the distinguished House Ways and Means Committee. The bill is supported by groups as diverse as the AFL–CIO and the National Association of Manufacturers. The family assistance plan is designed and intended to offer to the poor not a handout, but rather a hand-up.

Let us extend that encouraging hand in conscientious effort to project wholesome, farsighted reform into an admittedly antiquated welfare system while we remain ever watchful and ready to promptly repair any unexpected weaknesses or even initiate repeal review of the whole program if administration and congressional anticipations are not quickly fulfilled.

Mr. COHELAN. Mr. Chairman, I rise in support of H.R. 16311. I do so, however, with mixed emotions.

This bill provides for a Federal assistance payment of $1,600 for a family of four with no other income. This basic benefit is increased by the exclusion of the value of food stamps from the definition of earned income so that it is possible to have Federal assistance for a family of four at the level of $2,464.

In addition to this Federal assistance there are provisions for a State supplemental assistance, of which the Federal Government could pay up to 30 percent. These supplemental payments are to be maintained payments at January 1970 AFDC levels or up to the poverty level, which ever is lower. Under the provisions of the bill the Secretary of Health, Education, and Welfare would be required to annually update the property levels to reflect the increased cost of living. This bill also consolidates the assistance for the blind, disabled, and aged.

The coverage under this bill will increase those assisted from 7 million to 20 million under family assistance plan—FAP—and from 3 to 4 million under the blind, disabled, and aged. The total Federal-State cost is estimated to be increased by an additional $4.4 billion for FAP including $500 million for blind, disabled and aged and $600 million for job training features and day-care centers.

In analyzing this bill, I share the concern of a number of my colleagues that the $1,600 Federal minimum is inadequate to cover even the barest necessities of food, clothing, and shelter for our less-fortunate citizens. Although this will be increased by the State supplement, I would like to see a cost-of-living feature in the direct Federal contribution. Since this bill comes to the floor under a closed rule, we cannot amend the bill, but I think that the final version should include a higher Federal base and the cost-of-living feature in the Federal contribution so that our poorer citizens are not left out in the cold by fluctuations in our economy.

The coverage of this bill is commendable but in some areas falls short. The bill quite correctly extends coverage to the poverty-level families headed by full-time employed males—working poor—and families where the father is unemployed and at home. This hopefully will curb the trend in the dissolution of the family structure of the poor.

This bill also requires FAP beneficiaries to register for work training and employment. Those specifically exempt are: the aged, disabled, and ill; mothers caring for children under 6 years of age; mothers in cases where father register; citizens caring for ill members of the household; or citizens under 16 or under 21 and in school. All others are required to register. Under the bill, the Secretary of Health, Education, and Welfare is required to provide for child-care centers for working mothers and those in job training. These centers can be funded 100 percent by the Federal Government.

The House Ways and Means Committee has to be congratulated because of its improvements over the administration's work-requirement proposals, but I still have serious reservations about the required registration of mothers for job training and job referrals. In addition, I am concerned that there will not be enough high quality day-care centers or job training programs even though they are carefully delineated in the bill. Also, I am not convinced that the food stamp program feature of the family assistance plan should not be replaced by a cash equivalent.

Yet, the bill represents a step ahead of the crumbling AFDC structure it replaces. The AFDC has, as some Members point out, institutionalized poverty. The projected cost of AFDC this year is $4.3 billion, and HEW projects the cost to exceed $12 billion by 1975. This new family assistance program attempts to redress some glaring weaknesses of the present structure:

It establishes Federal standards to eliminate inequitable treatment but the $1,600 Federal minimum seems painfully inadequate;

It extends coverage to families headed by an unemployed father and extends coverage to the working poor;

It will reduce State and regional differences although some States will still have reductions;

It establishes Federal standards and minimums for the Nation's aged, blind, and disabled; and

It attempts through stronger Federal participation to extend job training and job placement.

All of these new directions should be subject to the most rigorous testing and analyses to correct difficulties that arise.

This new family assistance plan is not a panacea for ending poverty but I do feel that it offers an increased opportunity for many of our less-fortunate citizens to break out of the poverty cycle. The existing welfare structure has not been effective, I think the family assistance plan represents a prudent first step in correcting some of its deficiencies.

Mr. RANDALL. Mr. Chairman, I am against the passage of H.R. 16311, labeled "the Family Assistance Act of 1970."

There are so many good and valid reasons to oppose the passage of this bill that it becomes a problem to enumerate such reasons in their relative importance or to decide which deserves the greater emphasis. It will take too much time to provide detailed statistics to prove the danger of this bill. But all of these back-up figures can be fully documented and substantiated.

This welfare package is a 100-page bill with an accompanying report of 85 pages. It will entail a first annual Federal cost of $4.4 billion in three categories. By 1975, it is estimated the annual cost will have increased to $7.3 billion.

Under the provisions of this bill a family which consists of the parents and two children will be assigned a family benefit level of $1,600 per year. If their income falls below this amount, supplements will be paid to elevate their income to the $1,600 level. So far as I have been able to find out, this is the first time in the history of our country the Federal Government has agreed by law to provide a guaranteed annual income to its citizens.

In my opinion, this is a wrong turn for our country to take at this time. Regardless of the magnitude of the figures that are involved, under the provisions of this bill, there is a philosophy which is closely akin to a pure socialistic philosophy.

In the present law administered by the States it is true there is aid or welfare for the aged, the badly disabled and the blind. This is true welfare. On the other hand, to pay able-bodied people to do nothing is a shame. Such people who can sit at home and be guaranteed a fixed amount of income may very well soon lose their own self-respect. As much as I deplore the depression conditions which necessitated WPA at least this was a true work program for the able-bodied. With all of the jobs that go begging in our country today, people ought to work and should not be encouraged to stay home in idleness.

Of course we are all mindful of the words that have been used to make this act saleable. It is argued that "workfare" should replace the word "welfare." Yet, careful study of those portions of the bill which require each member of the family to register for employment or training, will reveal there is a long list of exceptions, exclusions as well as a long list of exemptions. One member suggested that the bill took at least three pages of print to provide all the loopholes for those who want to receive welfare but do no work.

One of the worst things about this entire welfare package is that the guaranteed annual income amounts to a kind of foot in the door that could very well be open ended. True, we have established a definite figure for this current year but I have reason to believe that those who vote for this measure today will have opponents campaigning against them who will be promising an increase in guaranteed annual income if they are elected. Each of those who support this bill today should pause long enough to ask themselves the question, Will they be for larger payments next year? And the next year? And the following year?

If we pass this bill today we, in effect, establish a policy that the Federal Government will reward those who will choose to take advantage of every exclusion, exception, and exemption under the beautiful description of workfare. This beginning of a national guaranteed income, instead of proving any kind of an incentive, could well be described as a disincentive to improve earnings or occupational capacities, and a disincentive for recipients to improve their lot in life.

Today, we hear so much about revenue sharing with the States and the desirability of decentralization toward greater State responsibility. Has anyone taken the time to consider what this bill will do to such concepts? It should be recalled that benefits payable under title II of this measure spell out that there must be a State supplement in order to receive Federal funds. The very natural question to follow is how well can the already impoverished States afford these additional demands on their treasuries for welfare funds?

In passing, it should be noted that if the present program is repealed a new Federal program is substituted under which the States are forbidden to impose restrictions such as duration of residence requirements and the prohibition of payments to aliens. Then this means that the recipients in low-benefit States will flock to States where higher benefits are paid with the result of further overcrowding of the already teeming cities in those States where higher paying State programs are in effect.

I hope I am making it clear that I am not opposed to all of the provisions of this bill. I am unalterably opposed to that part which commences or begins for the first time a revolutionary guaranteed income plan. Because of the gag rule under which all the Members of this House are muted, muzzled, and have had their voices stilled to offer any amendments, there is no way to eliminate this most objectionable provision, unless the minority is fair enough to offer a motion to recommit or else hope for the defeat of the bill or final passage.

Nearly all of the Members of the House are for welfare reform, but most of us are also against welfare expansion. If the figures which have been made available to me are correct, this bill will provide for tripling the number of persons on welfare. It would add about 3 million more families, or 15 million more persons. These figures have been rather carefully concealed in most of the discussions. It is little wonder that they have, because therein lies the entry wedge for the guaranteed annual income.

The present measure extends the guarantee to families with fully employed fathers. I recognize that the proponents will counter such a statement by saying that if the head of a family refuses to work or take a better paying job he will lose his welfare. That is true. But what really happens is that his share—$300 per year—will be deducted from the family welfare allotment and the rest of the family allotment will continue to be guaranteed with nothing required and no questions asked about the expenditure of the remainder of the money.

One of the best criteria of the weakness of the so-called workfare section of the bill is that it is the subject of criticism by conservatives because they believe there are too many loopholes and at the same time is the target of criticism by the liberals because there are not enough loopholes. Both groups thus seem to admit that it will take a costly, cumbersome bureaucracy which will grow to supervise the assignment of job opportunities and the training of millions of people if such provisions are to be really and truly enforced. The bill deserves a lot more consideration by the Committee on Ways and Means and should be restudied in detail if we expect to reform our welfare programs rather than the vast expansion of these programs.

Search as carefully and as frequently as you choose and you will find nowhere in this bill any provisions to finance it. Even if all the surplus anticipated by the present administration in this current year's budget materializes, there would not be enough money to pay for the benefits of H.R. 16311. No matter how hard an effort is made to conceal the fact, if this bill is passed, this same Committee on Ways and Means will have to propose a tax increase to pay for this handout. Does this Committee on Ways and Means expect to extend the surtax, with increased rates back to 10 percent, in order to finance what has been so cleverly called the Family Assistance Act?

Does the Committee on Ways and Means intend to raise the payroll tax provisions? Do they propose a social security payroll tax increase, doubled in order to provide family assistance benefits? These are questions which no one has answered during this debate and so far as I know, no one has made an attempt to answer.

I had hoped I could be granted a few minutes out of the 6 hours of debate to propound some questions to those three members on the Committee on Ways and Means who were opposed to this bill. Even with 6 hours, like any other Members, I was denied by the floor managers of this bill even a few minutes to interrogate some of the members of the committee. The questions I would have asked would have been to explain how the distinguished members of this most distinguished committee proposed to finance the cost of H.R. 16311. I would have also asked the proponent members of the committee who wrote this measure, to try to explain that if the present program is a failure how do they expect to resuscitate it by spending $4 billion more on a program that is quite similar, but differing only in the machinery for paying out money for nonproductiveness and adding about 15 million people to the welfare rolls as H.R. 16311 will do?

To recapitulate, our principal objection is directed to that part of the bill which begins guaranteeing incomes to families with employed fathers. Once we

start this it could well be that it will not be too long before one-third or more of our national population will be receiving income supplements at a cost of $20 billion more annually. The bill offers no improvement in the present administrative tangle that causes the present welfare program to be so ineffective. As those three members of the committee who joined in dissenting views put it "for all the rhetoric about work incentives the bill merely puts cash payments first."

We commenced consideration of this bill on April 15 which is the day on which everyone in America must file their income tax returns for 1969. It is significant that we conclude debate 1 day later giving all of our taxpayers an additional day to think of the potential impact that this legislation will have upon them in future years.

The truth is that the provisions of H.R. 16311 providing for a guaranteed income is a dangerous snowball that can grow and grow to where it can saddle future generations of taxpayers with an unbearable burden.

Mr. RARICK. Mr. Chairman, our forefathers who carved this civilization out of a wilderness did so without any expectation of a guaranteed income or livelihood. As free men they sought individual liberty under God.

Immigrants from foreign lands who have come to our country to become Americans were not induced by the promise of a guaranteed dole—most sought escape from tyranny, and a chance for a better life through freedom.

I care not what name it bears, any measure of law which would take from the worker and give to the nonproducer—who is not ill or handicapped—is recognized by the people as a guaranteed income plan—legalized theft. It is an accursed philosophy which will demoralize every worker.

Have we not tormented and politically exploited the poor long enough? Must they be blamed further? For, ironically, the motivating force behind this sinister plan flows stronger from the wealthy—the successful and upper income groups of our society—than from the misfortunate poor who do not understand who benefits from controlled economics.

Who gains from distribution-of-the-wealth programs? In four generations of rehabilitative welfare, many of the same families remain on welfare while the rich, the manipulators of the program, have become richer.

Few among us would have ever feared that a controlled Socialist plan such as guaranteed income would be the announced goal and program of a Republican President. Had this proposal arisen under a Democratic President, one doubts it could have received such a bipartisan support?

The positive thinkers urge us to look at the good side of the plan—to ignore the evil—while the progressives say give the plan a chance to see what will happen.

I say neither time nor experience is needed to know a scheme born of upside down fantasy. Socialism but begets socialism.

In our lifetime we have seen empire building by a central government under both national parties exert more and more power and control over our lives and institutions, and, as always, through the inducement of our moneys.

Federal funds are but followed with Federal control. Witness the downfall of State authority, local government, industries, public schools, labor unions, and now this latest attack on the basic unit of our society—our families.

This bill is a menace to the family—with its expected guidelines and the ever-present threat of a removal of funds for noncompliance with some bureaucrat's ideological dictates.

Today's bill places a ceiling of $1,600 a year for coverage. Who will guarantee that next year the ante will not be $10,000 or $20,000?

We have all witnessed socialism with its foot-in-the-door advance. It survives only on growth and requires expansion to bring more and more people under its nefarious umbrella.

If H.R. 16311 passes this body and becomes law, we are participating in the creation of a new feudal system in the United States, in which case we are attending the funeral of the American traditions of our fathers—work, pride, thrift and individuality.

The class war will then have officially been instituted.

I would never cast my people's one vote for such an un-American measure.

Mrs. REID of Illinois. Mr. Chairman, as I have listened to the debate on this proposed Family Assistance Act of 1970 and have studied the extensive hearings of our Committee on Ways and Means, it is clear that the Congress, the administration, and the States all agree that welfare reform is one of the crucial problems facing our Nation today. While I personally question some of the provisions of H.R. 16311, I do feel the President is to be commended for the attention he has given to this difficult and perplexing situation.

Certainly almost everyone in this Chamber will concede that the most critical of the present programs—aid to families with dependent children, AFDC—is headed toward social and financial disaster. There is every reason to question both its structure and philosophy, and as I compare our present program with the reform proposal before us today, it seems to me that there is a significant difference. We have noted that AFDC has already proved to be extremely costly; and instead of rescuing people from poverty, it has all too often perpetuated and encouraged what might be called a welfare way of life. Since 1961, we are told, the numbers of both families and individuals receiving AFDC more than doubled, and costs more than tripled. If this program were continued unchanged, not only would costs double again but recipients would increase in number by 80 percent within the next 5 years. To me, this is an alarming commentary, and there is no question in my mind that we must delay no longer in coming to grips with the problem.

As a Member of Congress, a taxpayer, and a mother, I have deep concern not only for quality and equality in our welfare system but the increasing cost of this assistance as well. It is my privilege to serve on the Committee on Appropriations, and I need not remind each of you that it is far easier for Congress to pass a spending program than a revenue bill to pay for it. Not only must we consider the initial cost of any new welfare program, we must likewise look to the future and weigh what we do today against spending priorities in the next decade. Admittedly, this proposal would be more costly initially—but it is estimated that over the next 4 years these excess costs would drop and much hopefully would be recaptured as more and more people leave welfare rolls to become gainfully employed and productive citizens. As in other States, we can expect that total welfare expenditures in Illinois will increase due to costs of the larger Federal expenditures by some $20.3 million. I am told, however, that this would be offset by a cost savings of $39.7 million which Illinois would receive under the adult and family programs. These figures are based on welfare program statistics for 1968, the last year for which such information is available. Since our State already has a program covering the working poor, expenditures in Illinois would be further reduced since under this bill the Federal Government would assume a significant part of the cost. I think we can expect as well that the provision in this legislation reducing the disparity between welfare payments among the several States will curtail migration to Illinois and other States which presently pay higher welfare benefits and thus serve to lower our own costs in Illinois.

I have listened to arguments prominently heard that this legislation will establish the framework for a guaranteed annual income. I have always been opposed to such a concept and still am. The present welfare system not only provides a guaranteed annual income but, furthermore, recipients of the current plan are guaranteed this income regardless of their own efforts. Under the President's plan, however, needy families would be aided only if able-bodied members of those families signed up for work. Training and rehabilitation programs would be established to help anyone who might need them in order to qualify for employment—and I find this provision very realistic and necessary.

We need in our welfare programs more requirements to encourage self-help and reward work. The present programs all too often discourage gainful employment and even penalize those who might otherwise seek it. It is my understanding that a recommittal motion is to be offered which will eliminate the ambiguous definition of "suitable" as related to available employment for any welfare applicant, and I expect to support this change as it will tighten the workfare provision by requiring welfare applicants

to register for and accept employment not according to their particular personal preference but as prescribed by this amended legislation.

I do feel this new program could go a long way toward eliminating the welfare way of life and thus prove in the last analysis to be less expensive for taxpayers in general. I do not feel the Government should allow people to abdicate their responsibilities for supporting themselves or their families. Under this bill, too, benefits are limited to families with children, which is not true under guaranteed income schemes.

Another meritorious feature of this bill is that instead of encouraging family disintegration and merely maintaining people in limbo, the Act would try to hold the family together—to keep fathers from deserting wives and children so the family could obtain higher welfare payments—promote family stability—and preserve this basic unit of American society.

Just as I find much to applaud in the President's proposal, as a member of the Committee on Appropriations I do have honest reservations and questions. Consequently, I did not support the resolution calling for a closed rule when it was considered by the House yesterday because I had hoped that the legislation could have been considered under a rule which would have permitted greater discussion of alternatives and amendments. But because I do recognize the urgent need for meaningful welfare reform, and since I do feel that the administration has taken a commendable interest in revising the present ineffective programs for the first time, I will support H.R. 16311. I would hope that clarifications and reassurances could be added by the Senate and that some of the features which I consider objectionable resolved by a conference committee. Certainly the time for both welfare reform and taxpayer relief is long overdue, and I see the long-range possibility of achieving both in this legislation.

Mr. LEGGETT. Mr. Chairman, I rise in support of the Family Assistance Act, H.R. 16311. It will not give us the solution to the problems of poverty; far from it. But it is a step in the right direction and a considerable improvement over the present system.

First, it provides financial incentive to work. Some people work primarily because they enjoy their jobs, others because of the satisfaction of substantive achievement and financial independence. But most people—particularly those in lower paying positions, which tend to be more routine and less satisfying—work because they like to have money.

For many years, there was no incentive to work until one got clearly above the welfare level, because all income was deducted from one's welfare payments, yielding a net of zero. The FAP will allow a family of four to get the full benefit of all it earns up to $720 per year, and half of earnings between $720 and $3,920.

I have heard objections to giving assistance money to people who are working. But the alternative is to make it economically unsound for the poor to work. It is as simple as that.

A second virtue of the Family Assistance Act is its pump-priming effect, which will be particularly important in areas which presently have lower welfare scales. It is relatively easy to make money if one begins with a lot of money, but it is quite difficult if one begins with nothing. By picking people up out of the gutter, raising their expectations, giving them a taste of a better world, and letting them see that they can get a lot more of it by working hard, we will be taking a significant step toward turning our present welfare cases into productive citizens.

A third virtue is the elimination of the degrading aspects of the present welfare system. It is bad enough when in many black urban families the wife can find work as a domestic while the husband cannot find work at all. But to force the husband to leave his family for their own economic welfare is to destroy the self-esteem of that man and the entire family. And when one adds to this the prejudiced and unsympathetic attitude of many welfare workers, the midnight raids to search for a man in the house, and so forth—this is intolerable.

I have heard it said that we should make poverty as miserable as possible so that welfare clients will get up and work. The vast bulk of the poor come from poor parents and poor grandparents. Their problem is not that they do not want to better their lot; it is that they do not know how and, most importantly, they are so sunk in despair that they do not believe they can. They need to be built up, not beaten down further.

On the matter of the compulsory work and training programs, if this bill increases the availability of free job training, I am all for it. And I do not share the objections of the welfare rights organizations to the work requirement. The bill provides that no individual can be forced to work for less than the Federal, State, or local minimum wage, or for less than the locally prevailing wage for similar work. He cannot be used as a strikebreaker. He cannot be assigned to dangerous work, work for which he is untrained or physically unfit, or which requires unreasonable travel from his home.

Mr. Chairman, I have never subscribed to the theory that the poor are poor because they are too lazy to work. Very few people enjoy thinking of themselves as parasites, and fewer still are happy with the miserable standard of living afforded by welfare payments—and let us not forget that the FAP standard, while an improvement over their present, will still be austere in the extreme. Nevertheless, the fact remains that many of our present welfare clients were raised in welfare families and have had little or no experience with earning a living; they just do not accept that it can be done, and will be afraid to try. For these people, the work and training requirements may be the greatest blessing of all, by giving them both carrot and stick motivations to change their life styles.

In addition, the bill will provide day care centers for young children so that their mothers can accept work. Surveys have shown that a large proportion of these women are eager to work and will be grateful for the opportunity to do so.

In conclusion, Mr. Chairman, in my view the Family Assistance Act constitutes a restructuring of our poverty assistance programs that we should have had years ago. We are at least beginning to think of helping people out of the gutter instead of just making the gutter a little more comfortable.

The bill is a beginning rather than an end, and there is a good chance it eventually will have to be altered considerably in light of the experience we will get in the next few years.

The incremental cost of the entire program—which is to say, the amount of additional money that will be transferred from well-to-do Americans to poor Americans, who will spend almost all of it and pump it back into the economy with full multiplier—will be about $4.5 billion in fiscal year 1971. We can afford it a lot better than we can afford to do without it.

Mr. PELLY. Mr. Chairman, as I reported to the House in January, the 22,300 responses to my questionnaire indicated that 65 percent of my constituents favored replacing the existing welfare system with President Nixon's family assistance plan. The results of the poll showed 8 percent opposed and 26 percent undecided. I can understand that many did not fully understand this proposal to provide basic benefits to low-income families with children and at the same time to provide incentives for job training and employment of members of such families.

Frankly, I do not know of anyone familiar with the existing welfare system who does not favor reform of the present welfare system for aid to families with dependent children which presently is headed toward social and financial disaster. Especially it has failed in that it has produced third and fourth generation welfare recipients and made it more advantageous for men not to work as well as for heads of households to desert their families.

When the House Committee on Ways and Means reported H.R. 16311, a bill to carry out the President's welfare reform, some serious questions as to its cost and effectiveness were raised. Some people said it would not solve but rather would multiply weaknesses of our system. Others said the bill would improve the welfare program in many respects and it would lift a huge and unbearable burden from the States.

The new Nixon Family Assistance Act of 1970 will provide assistance for the working poor, job training for the unemployed and day-care centers for children of working mothers. At the same time, it offers incentives to work by allowing welfare recipients to take home a substantial share of what they earn without loss of family assistance payments.

Critics say the guaranteed family income concept is wrong. This refers to the provision whereby, for example, a family of four will receive an annual federally supplied income of $1,600; $500 for the first two family members and $300 for each of the additional members.

A working head of a household could retain the first $720 of his earnings and 50 percent of his income above that amount. Assistance would not be cut off until the family income reached $3,920.

Meanwhile, under the present system, a man can see other families getting more on welfare than he gets by working. This discourages work.

Under the new proposal to be eligible for family assistance, the head of the family must register for work and job training. This does not include mothers of preschool children or in a household when the father is registered. The person on job training would receive a $30 a month allowance. Then, there would be child day-care centers to serve working mothers. There are 12 million children whose mothers now work outside the home while present facilities can accommodate only 1 million children. And, another feature is that a father who abandons his family will be liable for the benefits to his family.

This Family Assistance Act, as I indicated, would call for the Federal Government to assume a flat 30 percent share of State welfare costs.

In the House, measures like this are considered under closed rules and elimination of a part of the bill by amendment such as that which guarantees minimum income to families with working fathers, was not permissible.

Mr. Chairman, under these circumstances, in its consideration in my own case, I weighed the good against the bad in the bill as against the existing program and voted in favor. The cost is $3.7 billion. The way the cost of the existing welfare system has been increasing, I cannot believe that the new plan is not an improvement in the long run, both in cost and in effectiveness.

But, while it is a gamble, something had to be done, so as I said, I supported the bill and it may well prove to be a very successful and significant piece of legislation.

The Chamber of Commerce of the United States has indicated the plan may create a permanent class of people who will offer their votes to the highest bidder. Of course, that is not new; the old plan had that fault. I hope and believe the new one will encourage people to take jobs and become productive citizens and that the direction of the country changes from welfare to what has been called a "workfare" program.

Mrs. CHISHOLM. Mr. Chairman, the time has come to reemphasize and elaborate my feelings on the proposed social security and welfare reforms as consideration of this bill is imminent in Congress.

As I have said, among many others who support my thoughts, $1,600 per year for a family of four with no other income is far too inadequate to take care of even the most basic needs of housing, clothing, and food. Forty-three States already pay more than that; recipients in only eight or 10 States, mainly southern ones, would see an increase in benefits.

Not only is the $1,600 allowance inadequate in Mr. Nixon's family assistance plan, but also it hedges on involuntary servitude with its compulsory work qualification. It makes the assumption that welfare recipients do not want to work. "Families on Welfare in New York City," a report released by the Research Department of the City University of New York and authored by Lawrence Podell, states that seven out of 10 welfare mothers indicate that if they had suitable employment or training, they would work; furthermore, two out of three indicated that they had definite plans to work in the future.

Of course, there are additional problems concerning working mothers. The Nixon proposal would provide some $828 per child per year for day-care facilities which is $172 less than the minimum estimate of $1,000 per child advanced by some authorities. My experience as a day-school administrator would lead me to believe that $1,000 would provide skeletal type care and facilities. The major problems facing our welfare families now, and even with the reforms put forth by the Nixon administration, are dual in nature: First, the burden is on the family to make up the difference for a good day-care program for their children; second, the work-training programs and employment for women are dependent upon adequate day-care facilities. In black families, 24 percent of them are headed by women, and it is incumbent upon us to provide good day-care facilities so these women can work and be assured that their children are being well taken care of. This is vital to these people and to us as a nation. We must also remember that these programs will only be as successful as the ability of the State and locales to develop quality programs.

Following the job-training programs is the problem of job placement. Will there be enough jobs in the market to accommodate this growing labor force? Will the job training lead toward viable positions in the labor market at adequate wages with opportunity for mobility? Mr. Nixon speaks of creating 150,000 jobs; however, in March 1970 the unemployment rate climbed to 4.6 percent. Over 3½ million people are unemployed and those that enter training programs, what type of meaningful employment will there be for them?

New York State alone could use over 300,000 jobs for its present welfare recipients. The scope of the need is far greater than the administration's plan can presently satisfy.

The food stamp program must also be examined in evaluating the proposed reforms. Originally, the administration proposed to extend the program; then the President's welfare reforms were to do away with it entirely; now administration officials are again proposing that it be retained.

The current figure concerning a recipient family of four is $480 to purchase stamps which could be redeemed for $1,200 in food. This $1,200 is the "chosen" figure because the USDA considers this as the minimum for an adequate diet. The proposal does not consider two obvious factors: First, food money is the only flexible item in the recipients' budget—when other needs arise, the food budget is the first to get cut—and, second, food as a budget item assessed by Government figures would be 30 percent of the $1,600 minimum. In regard to this point, Senator McGovern has stated that the average family of four spends only 17 percent of their yearly income on food. Basically, we are asking the recipient to spend 13 percent more of his yearly income for food than the average family of four, because we are guaranteeing such an impossibly low assistance of $1,600 a year at the outset.

This, of course, raises the question of what is an adequate income. The U.S. Department of Labor sees $6,207 as the yearly income to maintain a low, but "acceptable" standard of living for a family of four in an urban area. In New York City, the figure is held to be $6,201, slightly lower. The typical recipient family of four receives only $3,756 in New York City; and there are regulations that prevent the family from making more money, such as, moneys that the family makes in gainful employment will be subtracted from the welfare assistance. Therefore, the family is strapped. To rise above the $3,756 without it being a very substantial gain, is not of any benefit to the family. The present Nixon proposal results in forcing the poor in New York City into low-paying, dead-end jobs—something is wrong. This is just the exact opposite of the intention of Mr. Nixon's plan.

The administration's proposals have received criticism from Dr. George Wiley of the National Welfare Rights Organization to George Meany of the AFL–CIO and the basic criticism is that the proposals do not go far enough.

The same criticism is applicable to the administration's manpower proposals. Changes in our manpower policies are especially crucial because the success of the family assistance plan hinges upon the availability of good jobs. I stress the point of good jobs because if we help a person to become employed at a job which earns them, say, $2,934—the average income for a black woman in the United States—we really have not "solved" any problems.

The minimum wage of $2 per hour results in a yearly income of $4,160 which is only $404 above the current welfare average of $3,756 per year in New York City. What we need are not just minimum-wage, entry-level jobs, but also jobs which offer upward mobility.

Rather than encourage this kind of approach, the administration has, in fact, discouraged it. For example, they have called for a reduction in the new careers expenditures of nearly $1,000 per trainee, a move which as Senator Mondale pointed out would definitely transform it from an upward mobility and developmental program to a lower level job slot.

The administration has also cut back and restricted a number of other manpower programs. The Neighborhood Youth Corps program has not only had funds cut back, but also the Labor Department has restricted eligibility to 16- and 17-year-olds, and has announced a reduction in stipend.

The 120 Job Corps serving 33,000 people were closed down and have been replaced with only five mini job centers, serving some 850 people.

Most serious of all of the administration's proposals is their plan to turn over the operation of all manpower programs to the State employment agencies, where in the past programs have been embedded in bureaucracy and resistance to change.

As I pointed out in my manpower testimony before the House and Senate Committee:

> We should remember that the whole reason manpower programs came into existence in the first place is that the State Employment agencies were not doing their jobs. It seems ludicrous to me to reward them for their failure just because it fits into someone's philosophical scheme of decentralization.

We are not going to solve the problems with band-aids. If we do not provide enough money and the right mechanism for our programs, they are predestined to fail.

Programs can only be viable when the people with their frustrations and needs are given top priority in the formulation of those programs. If Congress can take the liberty to grant themselves a raise to $42,500 a year and at the same time claim that a family of four can live on $1,600 a year, then it is time for deep evaluation of what we are trying to accomplish with our programs.

Mr. BYRNES of Wisconsin. Mr. Chairman, we have no further requests for time.

Mr. MILLS. Mr. Chairman, I have no further requests for time. I had some time to reserve for myself, but I yield back the balance of my time.

The CHAIRMAN. Under the rule, the bill is considered as having been read for amendment. No amendments are in order to the bill except amendments offered by direction of the Committee on Ways and Means.

Are there any committee amendments?

Mr. MILLS. Mr. Chairman, there are no committee amendments.

PARLIAMENTARY INQUIRY

Mr. BURLESON of Texas. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. BURLESON of Texas. Mr. Chairman, I have a preferential motion. Is it in order to offer a preferential motion at this time?

The CHAIRMAN. Will the gentleman advise the Chair what sort of preferential motion he has in mind?

Mr. BURLESON of Texas. To strike the enacting clause.

The CHAIRMAN. The Chair will advise the gentleman from Texas that that motion is not in order unless amendments are in order, and are offered. There being no committee amendments, that motion will not be in order at this time.

Mr. BURLESON of Texas. Mr. Chairman, may I inquire, if there are no committee amendments to be offered, if the bill is perfected?

The CHAIRMAN. The Chair will advise the gentleman from Texas that the chairman of the Committee on Ways and Means, the gentleman from Arkansas (Mr. MILLS), has just advised the Chair that there are no committee amendments. That being so, the motion is not in order at this time.

Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. DINGELL, 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. 16311) to authorize a family assistance plan providing basic benefits to low-income families with children, to provide incentives for employment and training to improve the capacity for employment of members of such families, to achieve greater uniformity of treatment of recipients under the Federal-State public assistance programs and to otherwise improve such programs, and for other purposes, pursuant to House Resolution 916, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

PARLIAMENTARY INQUIRY

Mr. BURLESON of Texas. Mr. Speaker a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. BURLESON of Texas. Mr. Speaker I have a preferential motion which was not permitted to be made in the Committee of the Whole. The preferential motion is to strike the enacting clause. Is it in order in the House at this time?

The SPEAKER. Due to the fact that the previous question has been ordered on the bill to final passage, the motion is not in order at this time.

MOTION TO RECOMMIT OFFERED BY MR. COLLIER

Mr. COLLIER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. COLLIER. In its present form I am, Mr. Speaker.

The SPEAKER. The gentleman qualifies.

PARLIAMENTARY INQUIRY

Mr. LANDRUM. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state the parliamentary inquiry.

Mr. LANDRUM. Mr. Speaker, is it not true under the rules of the House that the motion to recommit should go to one who is unqualifiedly opposed to the bill?

The SPEAKER. The Chair will state that a Member who states that he is opposed to the bill in its present form qualifies.

Mr. LANDRUM. Mr. Speaker, is that not a modification of the rule that a Member in order to qualify must be opposed to the bill?

The SPEAKER. The gentleman from Illinois (Mr. COLLIER) qualifies because he has stated he is in opposition to the bill in its present form, which is the bill now before the House.

PARLIAMENTARY INQUIRY

Mr. GROSS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state the parliamentary inquiry.

Mr. GROSS. Mr. Speaker, the gentleman from Illinois has repeatedly stated, as recently as a few minutes ago, that he firmly supports the bill.

Mr. COLLIER. Mr. Speaker, I said I firmly support the principle and the concept of the bill. That is what I said, but I am opposed to the bill in its present form.

The SPEAKER. The gentleman from Illinois has stated that he is opposed to the bill in its present form. Therefore, the gentleman, with that statement, and upon his responsibility, qualifies.

The Clerk will report the motion to recommit.

The Clerk read as follows:

> Mr. COLLIER moves to recommit the bill (H.R. 16311) to the Committee on Ways and Means with instructions to report the same back to the House forthwith with the following amendments:
>
> Page 21, line 1, strike out "suitable".
>
> Page 21, lines 2 and 3, strike out "suitable".
>
> Strike out line 21 on page 21 and all that follows down through line 17 on page 22, and insert in lieu thereof the following:
>
> "(b) No family shall be denied benefits under this part, or have its benefits under this part reduced, because an individual who is (or would, but for subsection (a), be) a member of such family refuses work under any of the following conditions:
>
> "(1) if the position offered is vacant due directly to a strike, lockout, or other labor dispute;
>
> "(2) if the wages, hours, or other terms or conditions of the work offered are contrary to or less than those prescribed by Federal, State, or local law or are substantially less favorable to the individual than those prevailing for similar work in the locality;
>
> "(3) if, as a condition of being employed, the individual would be required to join a company union or to resign from or refrain from joining any bona fide labor organization; or
>
> "(4) if the individual has the demonstrated capacity, through other available training or employment opportunities, of securing work that would better enable him to achieve self-sufficiency."

Mr. MILLS. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and the Speaker being in doubt, the House divided, and there were—ayes 69, noes 60.

Mr. ASHBROOK. 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 248, nays 149, not voting 33, as follows:

[Roll No. 82]

YEAS—248

Abbitt	Garmatz	Poff
Adair	Giaimo	Preyer, N.C.
Albert	Goldwater	Price, Tex.
Alexander	Goodling	Pryor, Ark.
Anderson, Ill.	Griffin	Pucinski
Anderson, Tenn.	Griffiths	Purcell
	Gubser	Quie
Andrews, N. Dak.	Halpern	Quillen
	Hamilton	Railsback
Arends	Hammer-schmidt	Randall
Ayres		Reid, Ill.
Beall, Md.	Hansen, Idaho	Reifel
Belcher	Hansen, Wash.	Rhodes
Bell, Calif.	Harsha	Riegle
Bennett	Harvey	Robison
Berry	Hastings	Roe
Betts	Hechler, W. Va.	Rogers, Colo.
Bevill	Hogan	Rogers, Fla.
Biaggi	Horton	Rostenkowski
Biester	Hosmer	Roth
Blanton	Howard	Roudebush
Blatnik	Hungate	Ruppe
Boland	Hunt	Ruth
Bow	Hutchinson	St. Onge
Bray	Ichord	Sandman
Brinkley	Jarman	Saylor
Brock	Johnson, Pa.	Schadeberg
Brooks	Jonas	Schwengel
Broomfield	Jones, Ala.	Scott
Brotzman	Jones, Tenn.	Sebelius
Brown, Mich.	Kee	Shipley
Brown, Ohio	Keith	Shriver
Broyhill, N.C.	King	Sikes
Buchanan	Kleppe	Sisk
Burlison, Mo.	Kuykendall	Skubitz
Burton, Utah	Langen	Slack
Bush	Lloyd	Smith, Calif.
Byrnes, Wis.	Long, Md.	Smith, Iowa
Camp	Lujan	Smith, N.Y.
Carter	McClory	Snyder
Cederberg	McCloskey	Springer
Chamberlain	McClure	Stafford
Clancy	McCulloch	Staggers
Clausen, Don H.	McDade	Stanton
	McDonald, Mich.	Steed
Collier		Steiger, Ariz.
Collins	McEwen	Steiger, Wis.
Conable	McFall	Stratton
Conte	McKneally	Stubblefield
Corbett	Macdonald, Mass.	Stuckey
Corman		Sullivan
Coughlin	MacGregor	Symington
Cowger	Mahon	Taft
Cramer	Mailliard	Talcott
Crane	Mann	Teague, Tex.
Cunningham	Marsh	Thompson, Ga.
Daddario	Mathias	Thomson, Wis.
Daniel, Va.	May	Udall
Davis, Wis.	Mayne	Van Deerlin
Delaney	Melcher	Vander Jagt
Dellenback	Meskill	Waldie
Denney	Michel	Wampler
Dent	Miller, Calif.	Watkins
Derwinski	Miller, Ohio	Watson
Dickinson	Mills	Watts
Dowdy	Minshall	Weicker
Downing	Mize	Whalen
Edmondson	Mizell	Whalley
Edwards, Ala.	Monagan	Whitehurst
Eshleman	Morse	Whitten
Evans, Colo.	Morton	Widnall
Evins, Tenn.	Mosher	Wiggins
Fallon	Moss	Williams
Findley	Murphy, N.Y.	Wilson, Bob
Fish	Myers	Winn
Fisher	Natcher	Wold
Flowers	Nelsen	Wolff
Ford, Gerald R.	Nichols	Wright
Foreman	O'Konski	Wyatt
Fountain	Pelly	Wydler
Frelinghuysen	Pepper	Wyman
Frey	Pettis	Yatron
Fulton, Tenn.	Pike	Zion
Fuqua	Pirnie	Zwach
Galifianakis	Poage	

NAYS—149

Abernethy	Boggs	Chappell
Adams	Bolling	Chisholm
Addabbo	Brademas	Clark
Anderson, Calif.	Brasco	Clawson, Del
	Burke, Fla.	Clay
Andrews, Ala.	Burke, Mass.	Cleveland
Annunzio	Burleson, Tex.	Cohelan
Ashbrook	Burton, Calif.	Colmer
Ashley	Button	Conyers
Aspinall	Byrne, Pa.	Daniels, N.J.
Baring	Caffery	Davis, Ga.
Barrett	Carey	de la Garza
Bingham	Casey	Dennis
Blackburn	Celler	Devine
Dingell	Helstoski	Patten
Donohue	Henderson	Perkins
Dorn	Hicks	Philbin
Dulski	Holifield	Pickle
Duncan	Hull	Podell
Dwyer	Jacobs	Powell
Eckhardt	Johnson, Calif.	Price, Ill.
Edwards, Calif.	Jones, N.C.	Rarick
Edwards, La.	Karth	Rees
Eilberg	Kastenmeier	Reid, N.Y.
Esch	Kazen	Reuss
Farbstein	Kluczynski	Roberts
Fascell	Koch	Rodino
Flood	Kyl	Rooney, N.Y.
Flynt	Kyros	Rooney, Pa.
Foley	Landgrebe	Rosenthal
Ford, William D.	Landrum	Roybal
	Latta	Ryan
Fraser	Leggett	St Germain
Friedel	Lowenstein	Satterfield
Gallagher	Martin	Scherle
Gaydos	Matsunaga	Scheuer
Gilbert	Meeds	Stephens
Gonzalez	Minish	Stokes
Gray	Mink	Taylor
Green, Oreg.	Montgomery	Thompson, N.J.
Green, Pa.	Moorhead	Tiernan
Gross	Morgan	Ullman
Hagan	Murphy, Ill.	Vanik
Haley	Nedzi	Vigorito
Hall	Nix	Waggonner
Hanley	Obey	Wilson, Charles H.
Harrington	O'Hara	
Hathaway	Olsen	Yates
Hawkins	O'Neal, Ga.	Young
Hays	O'Neill, Mass.	Zablocki
Hébert	Passman	

NOT VOTING—33

Brown, Calif.	Grover	Mikva
Broyhill, Va.	Gude	Mollohan
Cabell	Hanna	Ottinger
Culver	Heckler, Mass.	Patman
Dawson	Kirwan	Pollock
Diggs	Lennon	Rivers
Erlenborn	Long, La.	Schneebeli
Feighan	Lukens	Teague, Calif.
Fulton, Pa.	McCarthy	Tunney
Gettys	McMillan	White
Gibbons	Madden	Wylie

So the motion to recommit was agreed to.

The Clerk announced the following pairs:

Mr. White with Mr. Teague of California.
Mr. Cabell with Mr. Erlenborn.
Mr. Mikva with Mr. Fulton of Pennsylvania.
Mr. Ottinger with Mr. Gude.
Mr. Feighan with Mr. Pollock.
Mr. Gettys with Mr. Grover.
Mr. Gibbons with Mr. Broyhill of Virginia.
Mr. Hanna with Mr. Diggs.
Mr. Long of Louisiana with Mr. Schneebeli.
Mr. Patman with Mr. Wylie.
Mr. Rivers with Mr. Lukens.
Mr. Tunney with Mr. Kirwan.
Mr. McMillan with Mrs. Heckler of Massachusetts.
Mr. Culver with Mr. McCarthy.
Mr. Mollohan with Mr. Brown of California.

Mr. PERKINS changed his vote from "yea" to "nay."

Messrs. WRIGHT, STAGGERS, GUBSER, CLANCY, SCHADEBERG, and McFALL changed their votes from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

Mr. HAYS. Mr. Speaker, I have a preferential motion.

The SPEAKER. Will the gentleman state his motion?

Mr. HAYS. I move that the enacting clause be stricken out.

The SPEAKER. The Chair will state that that motion is not in order. The Chair passed on it awhile ago. That motion is not in order.

Mr. MILLS. Mr. Speaker, in accordance with the instructions of the House in the motion to recommit, I report back the bill with an amendment.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Amendment:

Page 21, line 1, strike out "suitable".

Page 21, lines 2 and 3, strike out "suitable".

Strike out line 21 on page 21 and all that follows down through line 17 on page 22, and insert in lieu thereof the following:

"(b) No family shall be denied benefits under this part, or have its benefits under this part reduced, because an individual who is (or would, but for subsection (a), be) a member of such family refuses work under any of the following conditions:

"(1) if the position offered is vacant due directly to a strike, lockout, or other labor dispute;

"(2) if the wages, hours, or other terms or conditions of the work offered are contrary to or less than those prescribed by Federal, State, or local law or are substantially less favorable to the individual than those prevailing for similar work in the locality;

"(3) if, as a condition of being employed, the individual would be required to join a company union or to resign from or refrain from joining any bona fide labor organization; or

"(4) if the individual has the demonstrated capacity, through other available training or employment opportunities, of securing work that would better enable him to achieve self-sufficiency."

Mr. MILLS. Mr. Speaker, I move the previous question on the amendment.

The previous question was ordered.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

H.R. 16311

An act to authorize a family assistance plan providing basic benefits to low-income families with children, to provide incentives for employment and training to improve the capacity for employment of members of such families, to achieve greater uniformity of treatment of recipients under the Federal-State public assistance programs and to otherwise improve such programs, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act, with the following table of contents, may be cited as the "Family Assistance Act of 1970".

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TITLE I—FAMILY ASSISTANCE PLAN

Sec. 101. Establishment of family assistance plan.

"PART D—FAMILY ASSISTANCE PLAN

"Sec. 441. Appropriations.
"Sec. 442. Eligibility for and amount of family assistance benefits.
"(a) Eligibility.
"(b) Amount.
"(c) Period for determination of benefits.
"(d) Special limits on gross income.
"(e) Puerto Rico, the Virgin Islands, and Guam.
"Sec. 443. Income.
"(a) Meaning of income.
"(b) Exclusions from income.
"Sec. 444. Resources.
"(a) Exclusions from resources.
"(b) Disposition of resources.

TITLE I—FAMILY ASSISTANCE PLAN

ESTABLISHMENT OF FAMILY ASSISTANCE PLAN

SEC. 101. Title IV of the Social Security Act (42 U.S.C. 601 et seq.) is amended by adding after part C the following new parts:

"PART D—FAMILY ASSISTANCE PLAN

"APPROPRIATIONS

"SEC. 441. For the purpose of providing a basic level of financial assistance throughout the Nation to needy families with children, in a manner which will strengthen family life, encourage work training and self-support, and enhance personal dignity, there is authorized to be appropriated for each fiscal year a sum sufficient to carry out this part.

"ELIGIBILITY FOR AND AMOUNT OF FAMILY ASSISTANCE BENEFITS

"Eligibility

"SEC. 442. (a) Each family (as defined in section 445)—

"(1) whose income, other than income excluded pursuant to section 443(b), is less than—

"(A) $500 per year for each of the first two members of the family, plus

"(B) $300 per year for each additional member, and

"(2) whose resources, other than resources excluded pursuant to section 444, are less than $1,500, shall, in accordance with and subject to the other provisions of this title, be paid a family assistance benefit.

"Amount

"(b) The family assistance benefit for a family shall be payable at the rate of—

"(1) $500 per year for each of the first two members of the family, plus

"(2) $300 per year for each additional member, reduced by the amount of income, not excluded pursuant to section 443(b), of the members of the family.

"Period for Determination of Benefits

"(c)(1) A family's eligibility for and its amount of family assistance benefits shall be determined for each quarter of a calendar year. Such determination shall be made on the basis of the Secretary's estimate of the family's income for such quarter, after taking into account income for a preceding period and any modifications in income which are likely to occur on the basis of changes in conditions or circumstances. Eligibility for and the amount of benefits of a family for any quarter shall be redetermined at such time or times as may be provided by the Secretary, such redetermination to be effective prospectively.

"(2) The Secretary shall by regulation prescribe the cases in which and extent to which the amount of a family assistance benefit for any quarter shall be reduced by reason of the time elapsing since the beginning of such quarter and before the date of filing of the application for the benefit.

"(3) The Secretary may, in accordance with regulations, prescribe the cases in which and the extent to which income received in one period (or expense incurred in one period in earning income) shall, for purposes of determining eligibility for and amount of family assistance benefits, be considered as received (or incurred) in another period or periods.

"Special Limits on Gross Income

"(d) The Secretary may, in accordance with regulations, prescribe the circumstances under which the gross income from a trade or business (including farming) will be considered sufficiently large to make such family ineligible for such benefits.

"Puerto Rico, the Virgin Islands, and Guam

"(e) For special provisions applicable to Puerto Rico, the Virgin Islands, and Guam, see section 1108(e).

"INCOME

"Meaning of Income

"SEC. 443. (a) For purposes of this part, income means both earned income and unearned income; and—

"(1) earned income means only—

"(A) remuneration for services performed as an employee (as defined in section 210 (j)), other than remuneration to which section 209 (b), (c), (d), (f), or (k), or section 211, would apply; and

"(B) net earnings from self-employment, as defined in section 211 (without the application of the second and third sentences following clause (C) of subsection (a)(9)), including earnings for services described in paragraphs (4), (5), and (6) of subsection (c); and

"(2) unearned income means all other income including—

"(A) any payments received as an annuity, pension, retirement, or disability benefit, including veteran's or workmen's compensation and old-age, survivors, and disability insurance, railroad retirement, and unemployment benefits;

"(B) prizes and awards;

"(C) the proceeds of any life insurance policy;

"(D) gifts (cash or otherwise), support and alimony payments, and inheritances; and

"(E) rents, dividends, interest, and royalties.

"Exclusions From Income

"(b) In determining the income of a family there shall be excluded—

"(1) subject to limitations (as to amount or otherwise) prescribed by the Secretary, the earned income of each child in the family who is, as determined by the Secretary under regulations, a student regularly attending a school, college, or university, or a course of vocational or technical training designed to prepare him for gainful employment;

"(2)(A) the total unearned income of all members of a family in a calendar quarter which, as determined in accordance with criteria prescribed by the Secretary, is received too infrequently or irregularly to be included, if such income so received does not exceed $30 in such quarter, and (B) the total earned income of all members of a family in a calendar quarter which, as determined in accordance with such criteria,

is received too infrequently or irregularly to be included, if such income so received does not exceed $30 in such quarter;

"(3) an amount of earned income of a member of the family equal to all, or such part (and according to such schedule) as the Secretary may prescribe, of the cost incurred by such member for child care which the Secretary deems necessary to securing or continuing in manpower training, vocational rehabilitation, employment, or self-employment;

"(4) the first $720 per year (or proportionately smaller amounts for shorter periods) of the total of earned income (not excluded by the preceding paragraphs of this subsection) of all members of the family plus one-half of the remainder thereof;

"(5) food stamps or any other assistance (except veterans' pensions) which is based on need and furnished by any State or political subdivision of a State or any Federal agency, or by any private charitable agency or organization (as determined by the Secretary);

"(6) allowances under section 432(a);

"(7) any portion of a scholarship or fellowship received for use in paying the cost of tuition and fees at any educational (including technical or vocational education) institution; and

"(8) home produce of a member of the family utilized by the household for its own consumption.

"RESOURCES

"Exclusions from resources

"SEC. 444. (a) In determining the resources of a family there shall be excluded—

"(1) the home, household goods, and personal effects; and

"(2) other property which, as determined in accordance with and subject to limitations in regulations of the Secretary, is so essential to the family's means of self-support as to warrant its exclusion.

"DISPOSITION OF RESOURCES

"(b) The Secretary shall prescribe regulations applicable to the period or periods of time within which, and the manner in which, various kinds of property must be disposed of in order not to be included in determining a family's eligibility for family assistance benefits. Any portion of the family's benefits paid for any such period shall be conditioned upon such disposal; and any benefits so paid shall (at the time of the disposal) be considered over-payments to the extent they would not have been paid had the disposal occurred at the beginning of the period for which such benefits were paid.

"MEANING OF FAMILY AND CHILD

"Composition of Family

"SEC. 445. (a) Two or more individuals—

"(1) who are related by blood, marriage, or adoption,

"(2) who are living in a place of residence maintained by one or more of them as his or their own home,

"(3) who are residents of the United States, and

"(4) at least one of whom is a child who (A) is not married to another of such individuals and (B) is in the care of or dependent upon another of such individuals,

shall be regarded as a family for purposes of this part and parts A, C, and E. A parent (of a child living in a place of residence referred to in paragraph (2)), or a spouse of such a parent, who is determined by the Secretary to be temporarily absent from such place of residence for the purpose of engaging in or seeking employment or self-employment (including military service) shall nevertheless be considered (for purposes of paragraph (2)) to be living in such place of residence.

"Definition of Child

"(b) For purposes of this part and parts C and E, the term 'child' means an individual who is (1) under the age of eighteen, or (2) under the age of twenty-one and (as determined by the Secretary under regulations) a student regularly attending a school, college, or university, or a course of vocational or technical training designed to prepare him for gainful employment.

"Determination of Family Relationships

"(c) In determining whether an individual is related to another individual by blood, marriage, or adoption, appropriate State law shall be applied.

"Income and Resources of Noncontributing Adult

"(d) For purposes of determining eligibility for and the amount of family assistance benefits for any family there shall be excluded the income and resources of any individual, other than a parent of a child (or a spouse of a parent), which, as determined in accordance with criteria prescribed by the Secretary, is not available to other members of the family; and for such purposes such individual—

"(1) in the case of a child, shall be regarded as a member of the family for purposes of determining the family's eligibility for such benefits but not for purposes of determining the amount of such benefits, and

"(2) in any other case, shall not be considered a member of the family for any purpose.

"Recipients of Aid to the Aged, Blind, and Disabled Ineligible

"(e) If an individual is receiving aid to the aged, blind, and disabled under a State plan approved under title XVI, or if his needs are taken into account in determining the need of another person receiving such aid, then, for the period for which such aid is received, such individual shall not be regarded as a member of a family for purposes of determining the amount of the family assistance benefits of the family.

"PAYMENTS AND PROCEDURES

"Payments of Benefits

"SEC. 446. (a) (1) Family assistance benefits shall be paid at such time or times and in such installments as the Secretary determines will best effectuate the purposes of this title.

"(2) Payment of the family assistance benefit of any family may be made to any one or more members of the family, or, if the Secretary deems it appropriate, to any person, other than a member of such family, who is interested in or concerned with the welfare of the family.

"(3) The Secretary may by regulation establish ranges of incomes within which a single amount of family assistance benefit shall apply.

"Overpayments and Underpayments

"(b) Whenever the Secretary finds that more or less than the correct amount of family assistance benefits has been paid with respect to any family, proper adjustment or recovery shall, subject to the succeeding provisions of this subsection, be made by appropriate adjustments in future payments to the family or by recovery from or payment to any one or more of the individuals who are or were members thereof. The Secretary shall make such provision as he finds appropriate in the case of payment of more than the correct amount of benefits with respect to a family with a view to avoiding penalizing members of the family who were without fault in connection with the overpayment, if adjustment or recovery on account of such overpayment in such case would defeat the purposes of this part, or be against equity or good conscience, or (because of the small amount involved) impede efficient or effective administration of this part.

"Hearings and Review

"(c) (1) The Secretary shall provide reasonable notice and opportunity for a hearing to any individual who is or claims to be a member of a family and is in disagreement with any determination under this part with respect to eligibility of the family for family assistance benefits, the number of members of the family, or the amount of the benefits, if such individual requests a hearing on the matter in disagreement within thirty days after notice of such determination is received. Until a determination is made on the basis of such hearing or upon disposition of the matter through default, withdrawal of the request by the individual, or revision of the initial determination by the Secretary, any amounts which are payable (or would be payable but for the matter in disagreement) to any individual who has been determined to be a member of such family shall continue to be paid; but any amounts so paid for periods prior to such determination or disposition shall be considered overpayments to the extent they would not have been paid had such determination or disposition occurred at the same time as the Secretary's initial determination on the matter in disagreement.

"(2) Determination on the basis of such hearing shall be made within ninety days after the individual requests the hearing as provided in paragraph (1).

"(3) The final determination of the Secretary after a hearing under paragraph (1) shall be subject to judicial review as provided in section 205(g) to the same extent as the Secretary's final determinations under section 205; except that the determination of the Secretary after such hearing as to any fact shall be final and conclusive and not subject to review by any court.

"Procedures; Prohibition of Assignments

"(d) The provisions of sections 206 and 207 and subsections (a), (d), (e), and (f) of section 205 shall apply with respect to this part to the same extent as they apply in the case of title II:

"Applications and Furnishing of Information by Families

"(e) (1) The Secretary shall prescribe regulations applicable to families or members thereof with respect to the filing of applications, the furnishing of other data and material, and the reporting of events and changes in circumstances, as may be necessary to determine eligibility for and amount of family assistance benefits.

"(2) In order to encourage prompt reporting of events and changes in circumstances relevant to eligibility for or amount of family assistance benefits, and more accurate estimates of expected income or expenses by members of families for purposes of such eligibility and amount of benefits, the Secretary may prescribe the cases in which and the extent to which—

"(A) failure to so report or delay in so reporting, or

"(B) inaccuracy of information which is furnished by the members and on which the estimates of income or expenses for such purposes are based,

will result in treatment as overpayments of all or any portion of payments of such benefits for the period involved.

"Furnishing of Information by Other Agencies

"(f) The head of any Federal agency shall provide such information as the Secretary needs for purposes of determining eligibility for or amount of family assistance benefits, or verifying other information with respect thereto.

"REGISTRATION AND REFERRAL OF FAMILY MEMBERS FOR MANPOWER SERVICES TRAINING, AND EMPLOYMENT

"SEC. 447. (a) Every individual who is a member of a family which is found to be eligible for family assistance benefits, other than a member to whom the Secretary finds paragraph (1), (2), (3), (4), or (5) of subsection (b) applies, shall register for manpower services, training, and employment with the local public employment office of the State as provided by regulations of the Secretary of Labor. If and for so long as any such individual is found by the Secretary of Health, Education, and Welfare to have failed to so register, he shall not be regarded as a member of a family but his income which would otherwise be counted under this part as income of a family shall be so counted; except that if such individual is the only member of the family other than a child, such individual shall be regarded as a member for purposes of determination of the family's eligibility for family assistance benefits, but not (except for counting his income) for purposes of determination of the amount of such benefits. No part of the family assistance benefits of any such family may be paid to such individual during the period for which the preceding sentence is applicable to him; and the Secretary may, if he deems it appropriate, provide for payment of such benefits during such period to any person, other than a member of such family, who is interested in or concerned with the welfare of the family.

"(b) An individual shall not be required to register pursuant to subsection (a) if the Secretary determines that such individual is—

"(1) unable to engage in work or training by reason of illness, incapacity, or advanced age;

"(2) a mother or other relative of a child under the age of six who is caring for such child;

"(3) the mother or other female caretaker of a child, if the father or another adult male relative is in the home and not excluded by paragraph (1), (2), (4), or (5) of this subsection (unless the second sentence of subsection (a), or section 448(a), is applicable to him);

"(4) a child who is under the age of sixteen or meets the requirements of section 445(b)(2); or

"(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.

An individual who would, but for the preceding sentence, be required to register pursuant to subsection (a), may, if he wishes, register as provided in such subsection.

"(c) The Secretary shall make provision for the furnishing of child care services in such cases and for so long as he deems appropriate in the case of (1) individuals registered pursuant to subsection (a) who are, pursuant to such registration, participating in manpower services, training, or employment, and (2) individuals referred pursuant to subsection (d) who are, pursuant to such referral, participating in vocational rehabilitation.

"(d) In the case of any member of a family receiving family assistance benefits who is not required to register pursuant to subsection (a) because of such member's incapacity, the Secretary shall make provision 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, and (except in such cases involving permanent incapacity as the Secretary may determine) for a review not less often than quarterly of such member's incapacity and his need for and utilization of the rehabilitation services made available to him under such plan. If and for so long as such member is found by the Secretary to have refused without good cause to accept rehabilitation services available to him under such plan, he shall be treated as an individual to whom subsection (a) is applicable by reason of refusal to accept or participate in employment or training.

"DENIAL OF BENEFITS IN CASE OF REFUSAL OF MANPOWER SERVICES, TRAINING, OR EMPLOYMENT

"SEC. 448. (a) For purposes of determining eligibility for and amount of family assistance benefits under this part, an individual who has registered as required under section 447(a) shall not be regarded as a member of a family, but his income which would otherwise be counted as income of the family under this part shall be so counted, if and for so long as he has been found by the Secretary of Labor, after reasonable notice and opportunity for hearing (which shall be held in the same manner and subject to the same conditions as a hearing under section 446(c)(1) and (2)), to have refused without good cause to participate or continue to participate in manpower services, training, or employment, or to have refused without good cause to accept 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 Secretary of Labor, after notification by such employer or otherwise, to be a bona fide offer of employment; except that if such individual is the only member of the family other than a child, such individual shall be regarded as a member of the family for purposes of determination of the family's eligibility for benefits, but not (except for counting his income) for the purposes of determination of the amount of its benefits. No part of the family assistance benefits of any such family may be paid to such individual during the period for which the preceding sentence is applicable to him; and the Secretary may, if he deems it appropriate, provide for payment of such benefits during such period to any person, other than a member of such family, who is interested in or concerned with the welfare of the family.

"(b) No family shall be denied benefits under this part, or have its benefits under this part reduced, because an individual who is (or would, but for subsection (a), be) a member of such family refuses to work under any of the following conditions:

"(1) if the position offered is vacant due directly to a strike, lockout, or other labor dispute;

"(2) if the wages, hours, or other terms or conditions of the work offered are contrary to or less than those prescribed by Federal, State, or local law or are substantially less favorable to the individual than those prevailing for similar work in the locality;

"(3) if, as a condition of being employed, the individual would be required to join a company union or to resign from or refrain from joining any bona fide labor organization; or

"(4) if the individual has the demonstrated capacity, through other available training or employment opportunities, of securing work that would better enable him to achieve self-sufficiency."

"TRANSFER OF FUNDS FOR ON-THE-JOB TRAINING PROGRAMS

"SEC. 449. The Secretary shall, pursuant to and to the extent provided by agreement with the Secretary of Labor, pay to the Secretary of Labor amounts which he estimates would be paid as family assistance benefits under this part to individuals participating in public or private employer compensated on-the-job training under a program of the Secretary of Labor if they were not participating in such training. Such amounts shall be available to pay the costs of such programs.

PART E—STATE SUPPLEMENTATION OF FAMILY ASSISTANCE BENEFITS

"PAYMENTS UNDER TITLES IV, V, XVI, AND XIX CONDITIONED ON SUPPLEMENTATION

"SEC. 451. In order for a State to be eligible for payments pursuant to title V, XVI, or XIX, or part A or B of this title, with respect to expenditures for any quarter beginning on or after the date this part becomes effective with respect to such State, it must have in effect an agreement with the Secretary under which it will make supplementary payments, as provided in this part, to any family other than a family in which both parents of the child or children are present, neither parent is incapacitated, and the male parent is not unemployed.

"ELIGIBILITY FOR AND AMOUNT OF SUPPLEMENTARY PAYMENTS

"SEC. 452. (a) Eligibility for and amount of supplementary payments under the agreement with any State under this part shall, subject to the succeeding provisions of this section, be determined by application of the provisions of, and rules and regulations under, sections 442(a)(2), (c), and (d), 443(a), 444, 445, 446 (to the extent the Secretary deems appropriate), 447, and 448, and by application of the standard for determining need under the plan of such State as in effect for January 1970 (which standard complies with the requirements for approval under part A as in effect for such month) or, if lower, a standard equal to the applicable poverty level determined pursuant to section 453(c) and in effect at the time of such payments, or such higher standard of need as the State may apply, with the resulting amount reduced by the family assistance benefit payable under part D and further reduced by any other income (earned or unearned) not excluded under section 443(b) (except paragraph (4) thereof) or under subsection (b) of this section; but in making such determination the State may impose limitations on the amount of aid paid to the extent that such limitations (in combination with other provisions of the plan) are no more stringent in result than those imposed under the plan of such State as in effect for such month. In the case of any State which provides for meeting less than 100 per centum of its standard of need or provides for considering less than 100 per centum of requirements in determining need, the Secretary shall prescribe by regulation the method or methods for achieving as nearly as possible the results provided for under the foregoing provisions of this subsection.

"(b) For purposes of determining eligibility for and amount of supplementary payments to a family for any period pursuant to an agreement under this part, in the case of earned income to which paragraph (4) of section 443(b) applies, there shall be disregarded $720 per year (or proportionately smaller amounts for shorter periods), plus—

(1) one-third of the portion of the remainder of earnings which does not exceed twice the amount of the family assistance benefits that would be payable to the family if it had no income, plus

(2) one-fifth (or more if the Secretary by regulation so prescribes) of the balance of the earnings.

For special provisions applicable to Puerto Rico, the Virgin Islands, and Guam, see section 1108(e).

"(c) The agreement with a State under this part shall—

"(1) provide that it shall be in effect in all political subdivisions of the State;

"(2) provide for the establishment or des-

ignation of a single State agency to carry out or supervise the carrying out of the agreement in the State;

"(3) provide for granting an opportunity for a fair hearing before the State agency carrying out the agreement to any individual whose claim for supplementary payments is denied or is not acted upon with reasonable promptness;

"(4) provide (A) such methods of administration (including methods relating to the establishment and maintenance of personnel standards on a merit basis, except that the Secretary shall exercise no authority with respect to the selection, tenure of office, and compensation of any individual employed in accordance with such methods) as are found by the Secretary to be necessary for the proper and efficient operation of the agreement in the State, and (B) for the training and effective use of paid subprofessional staff, with particular emphasis on the full- or part-time employment of recipients of supplementary payments and other persons of low income, as community services aides, in carrying out the agreement and for the use of nonpaid or partially paid volunteers in a social service volunteer program in providing services to applicants for and recipients of supplementary payments and in assisting any advisory committees established by the State agency;

"(5) provide that the State agency carrying out the agreement will make such reports, in such form and containing such information, as the Secretary may from time to time require, and comply with such provisions as the Secretary may from time to time find necessary to assure the correctness and verification of such reports;

"(6) provide safeguards which restrict the use or disclosure of information concerning applicants for and recipients of supplementary payments to purposes directly connected with the administration of this title; and

"(7) provide that all individuals wishing to make application for supplementary payments shall have opportunity to do so, and that supplementary payments shall be furnished with reasonable promptness to all eligible individuals.

"PAYMENTS TO STATES

"SEC. 453. (a)(1) The Secretary shall pay to any State which has in effect an agreement under this part, for each fiscal year, an amount equal to 30 per centum of the total amount expended during such year pursuant to its agreement as supplementary payments to families other than families in which both parents of the child or children are present, neither parent is incapacitated, and the male parent is not employed, not counting so much of the supplementary payment made to any family as exceeds the amount by which (with respect to the period involved)—

"(A) the family assistance benefit payable to such family under part D, plus any income of such family (earned or unearned) not disregarded in determining the amount of such supplementary payment, is less than

"(B) the applicable poverty level as promulgated and in effect under subsection (c).

"(2) The Secretary shall also pay to each such State an amount equal to 50 per centum of its administrative costs found necessary by the Secretary for carrying out its agreement.

"(b) Payments under subsection (a) shall be made at such time or times, in advance or by way of reimbursement, and in such installments as the Secretary may determine; and shall be made on such conditions as may be necessary to assure the carrying out of the purposes of this title.

"(c)(1) For purposes of this part, the 'poverty level' for a family group of any given size shall be the amount shown for a family group of such size in the following table, adjusted as provided in paragraph (2):

"Family size:	*Basic amount*
One	$1,920
Two	2,460
Three	2,940
Four	3,720
Five	4,440
Six	4,980
Seven or more	6,120

"(2) Between July 1 and September 30 of each year, beginning with 1970, the Secretary (A) shall adjust the amount shown for each size of family group in the table in paragraph (1) by increasing such amount by the percentage by which the average level of the price index for the months in the calendar quarter beginning April 1 of such year exceeds the average level of the price index for months in 1969, and (B) shall thereupon promulgate the amounts so adjusted as the poverty levels for family groups of various sizes which shall be conclusive for purposes of this part for the fiscal year beginning July 1 next succeeding such promulgation.

"(3) As used in this subsection, the term 'price index' means the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics.

"FAILURE BY STATE TO COMPLY WITH ARGEEMENT

"SEC. 454. If the Secretary, after reasonable notice and opportunity for hearing to a State with which he has an agreement under this part, finds that such State is failing to comply therewith, he shall withhold all, or such portion as he deems appropriate, of the payments to which such State is otherwise entitled under this part or part A or B of this title or under title V, XVI, or XIX; but the amounts so withheld from payments under such part A or B or under title V, XVI, or XIX shall be deemed to have been paid to the State under such part or title. Such withholding shall be effected at such time or times and in such installments as the Secretary may deem appropriate.

"PART F—ADMINISTRATION

"AGREEMENTS WITH STATES

"SEC. 461. (a) The Secretary may enter into an agreement with any State under which the Secretary will make, on behalf of the State, the supplementary payments provided for under part E, or will perform such other functions of the State in connection with such payments as may be agreed upon, or both. In any such case, the agreement shall also (1) provide for payment by the State to the Secretary of an amount equal to the supplementary payments the State would otherwise make pursuant to part E, less any payments which would be made to the State under section 453(a), and (2) at the request of the State, provide for joint audit of payments under the agreement.

"(b) The Secretary may also enter into an agreement with any State under which such State will make, on behalf of the Secretary, the family assistance benefit payments provided for under part D with respect to all or specified families in the State who are eligible for such benefits or will perform such other functions in connection with the administration of part D as may be agreed upon. The cost of carrying out any such agreement shall be paid to the State by the Secretary in advance or by way of reimbursement and in such installments as may be agreed upon.

"PENALTIES FOR FRAUD

"SEC. 462. The provisions of section 208, other than paragraph (a), shall apply with respect to benefits under part D and allowances under part C, of this title, to the same extent as they apply to payments under title II.

"REPORT, EVALUATION, RESEARCH AND DEMONSTRATIONS, AND TRAINING AND TECHNICAL ASSISTANCE

"SEC. 463. (a) The Secretary shall make an annual report to the President and the Congress on the operation and administration of parts D and E, including an evaluation thereof in carrying out the purposes of such parts and recommendations with respect thereto. The Secretary is authorized to conduct evaluations directly or by grants or contracts of the programs authorized by such parts.

"(b) The Secretary is authorized to conduct, directly or by grants or contracts, research into or demonstrations of ways of better providing financial assistance to needy persons or of better carrying out the purposes of part D, and in so doing to waive any requirements or limitations in such part with respect to eligibility for or amount of family assistance benefits for such family, members of families, or groups thereof as he deems appropriate.

"(c) The Secretary is authorized to provide such technical assistance to States, and to provide, directly or through grants or contracts, for such training of personnel of States, as he deems appropriate to assist them in more efficiently and effectively carrying out their agreements under this part and part E.

"(d) In addition to funds otherwise available therefor, such portion of any appropriation to carry out part D or E as the Secretary may determine, but not in excess of $20,000,000 in any fiscal year, shall be available to him to carry out this section.

"OBLIGATION OF DESERTING PARENTS

"SEC. 464. In any case where an individual has deserted or abandoned his spouse or his child or children and such spouse or any such child (during the period of such desertion or abandonment) is a member of a family receiving family assistance benefits under part D or supplementary payments under part E, such individual shall be obligated to the United States in an amount equal to—

"(1) the total amount of the family assistance benefits paid to such family during such period with respect to such spouse and child or children, plus the amount paid by the Secretary under section 453 on account of the supplementary payments made to such family during such period with respect to such spouse and child or children, reduced by

"(2) any amount actually paid by such individual to or for the support and maintenance of such spouse and child or children during such period, if and to the extent that such amount is excluded in determining the amount of such family assistance benefits; except that in any case where an order for the support and maintenance of such spouse or any such child has been issued by a court of competent jurisdiction, the obligation of such individual under this subsection (with respect to such spouse or child) for any period shall not exceed the amount specified in such order less any amount actually paid by such individual (to or for the support and maintenance of such spouse or child) during such period. The amount due the United States under such obligation shall be collected (to the extent that the claim of the United States therefor is not otherwise satisfied), in such manner as may be specified by the Secretary, from any amounts otherwise due him or becoming due him at any time from any officer or agency of the United States or under any Federal program. Amounts collected under the preceding sentence shall be deposited in the Treasury as miscellaneous receipts.

"TREATMENT OF FAMILY ASSISTANCE BENEFITS AS INCOME FOR FOOD STAMP PURPOSES

"SEC. 465. Family assistance benefits paid under this title shall be taken into consideration for the purpose of determining the entitlement of any household to purchase food stamps, and the cost thereof, under the food stamp program conducted under the Food Stamp Act of 1964."

MANPOWER SERVICES, TRAINING, EMPLOYMENT, CHILD CARE, AND SUPPORTIVE SERVICES PROGRAMS

SEC. 102. Part C of title IV of the Social Security Act (42 U.S.C. 630 et seq.) is amended to read as follows:

"PART C—MANPOWER SERVICES, TRAINING, EMPLOYMENT, CHILD CARE AND SUPPORTIVE SERVICES PROGRAMS FOR RECIPIENTS OF FAMILY ASSISTANCE BENEFITS OR SUPPLEMENTARY PAYMENTS

"PURPOSE

"SEC. 430. The purpose of this part is to authorize provision, for individuals who are members of a family receiving benefits under part D or supplementary payments pursuant to part E, of manpower services, training, employment, child care, and related supportive services necessary to train such individuals, prepare them for employment, and otherwise assist them in securing and retaining regular employment and having the opportunity for advancement in employment, to the end that needy families with children will be restored to self-supporting, independent, and useful roles in their communities.

"OPERATION OF MANPOWER SERVICES, TRAINING, AND EMPLOYMENT PROGRAMS

"SEC. 431. (a) The Secretary of Labor shall, for each person registered pursuant to part D, in accordance with priorities prescribed by him, develop or assure the development of an employability plan describing the manpower services, training, and employment which the Secretary of Labor determines each person needs in order to enable him to become self-supporting and secure and retain employment and opportunities for advancement.

"(b) The Secretary of Labor shall, in accordance with the provisions of this part, establish and assure the provision of manpower services, training, and employment programs in each State for persons registered pursuant to part D or receiving supplementary payments pursuant to part E.

"(c) The Secretary of Labor shall, through such programs, provide or assure the provision of manpower services, training, and employment and opportunities necessary to prepare such persons for and place them in regular employment, including—

"(1) any of such services, training, employment, and opportunities which the Secretary of Labor is authorized to provide under any other Act;

"(2) counseling, testing, coaching, program orientation, institutional and on-the-job training, work experience, upgrading, job development, job placement, and follow up services required to assist in securing and retaining employment and opportunities for advancement;

"(3) relocation assistance (including grants, loans, and the furnishing of such services as will aid an involuntarily unemployed individual who desires to relocate to do so in an area where there is assurance of regular suitable employment, offered through the public employment offices of the State in such area, which will lead to the earning of income sufficient to make such individual and his family ineligible for benefits under part D and supplementary payments under part E); and

"(4) specal work projects.

"(d)(1) For purposes of subsection (c)(4), a 'special work project' is a project (meeting the requirements of this subsection) which consists of the performance of work in the public interest through grants to or contracts with public or nonprofit private agencies or organizations.

"(2) No wage rates provided under any special work project shall be lower than the applicable minimum wage for the particular work concerned.

"(3) Before entering into any special work project under a program established as provided in subsection (b), the Secretary of Labor shall have reasonable assurances that—

"(A) appropriate standards for the health, safety, and other conditions applicable to the performance of work and training on such projects are established and will be maintained,

"(B) such project will not result in the displacement of employed workers,

"(C) with respect to such project the conditions of work, training, education, and employment are reasonable in the light of such factors as the type of work, geographical region, and proficiency of the participant,

"(D) appropriate workmen's compensation protection is provided to all participants, and

"(E) such project will improve the employability of the participants.

"(4) With respect to individuals who are participants in special work projects under programs established as provided in subsection (b), the Secretary of Labor shall periodically (at least once every six months) review the employment record of each such individual while on the special work project and on the basis of such record and such other information as he may acquire determine whether it would be feasible to place such individual in regular employment or in on-the-job, institutional, or other training.

"ALLOWANCES FOR INDIVIDUALS UNDERGOING TRAINING

"SEC. 432. (a)(1) The Secretary of Labor shall pay to each individual who is a member of a family and is participating in manpower training under this part an incentive allowance of $30 per month. If one or more members of a family are receiving training for which training allowances are payable under section 203 of the Manpower Development and Training Act and meet the other reqirements under such section (except subsection (1)(1) thereof) for the receipt of allowances which would be in excess of the sum of the family assistance benefit under part D and supplementary payments pursuant to part E payable with respect to such month to the family, the total of the incentive allowances per month under this section for such members shall be equal to the greater of (1) the amount of such excess or, if lower, the amount of the excess of the training allowances which would be payable under such section 203 as in effect on March 1, 1970, over the sum of such family assistance benefit and such supplementary payments, and (2) $30 for each such member.

"(2) The Secretary of Labor shall, in accordance with regulations, also pay, to any member of a family participating in manpower training under this part, allowances for transportation and other costs to him which are necessary to and directly related to his participation in training.

"(3) The Secretary of Labor shall by regulation provide for such smaller allowances under this subsection as he deems appropriate for individuals in Puerto Rico, the Virgin Islands, and Guam.

"(b) Allowances under this section shall be in lieu of allowances provided for participants in manpower training programs under any other Act.

"(c) Subsection (a) shall not apply to any member of a family who is participating in a program of the Secretary of Labor providing public or private employer compensated on-the-job training.

"UTILIZATION OF OTHER PROGRAMS

"SEC. 433. In providing the manpower training and employment services and opportunities required by this part the Secretary of Labor, to the maximum extent feasible, shall assure that such services and opportunities are provided in such manner, through such means, and using all authority available to him under any other Act (and subject to all duties and responsibilities thereunder) as will further the establishment of an integrated and comprehensive manpower training program involving all sectors of the economy and all levels of government and as will make maximum use of existing manpower and manpower related programs and agencies. To such end the Secretary of Labor may use the funds appropriated to him under this part to provide the programs required by this part through such other Act, to the same extent and under the same conditions as if appropriated under such other Act and in making use of the programs of other Federal, State, or local agencies, public or private, the Secretary may reimburse such agencies for services rendered to persons under this part to the extent such services and opportunities are not otherwise available on a nonreimbursable basis.

"RULES AND REGULATIONS

"SEC. 434. The Secretary of Labor may issue such rules and regulations as he finds necessary to carry out his responsibilities under this part.

"APPROPRIATIONS; NONFEDERAL SHARE

"SEC. 435. (a) There is authorized to be appropriated to the Secretary of Labor for each fiscal year a sum sufficient for carrying out the purposes of this part (other than sections 436 and 437), including payment of not to exceed 90 per centum of the cost of manpower services, training, and employment and opportunities provided for individuals registered pursuant to section 447. The Secretary of Labor shall establish criteria to achieve an equitable apportionment among the States of Federal expenditures for carrying out the programs authorized by section 431. In developing these criteria the Secretary of Labor shall consider the number of registrations under section 447 and other relevant factors.

"(b) If a non-Federal contribution of 10 per centum of the cost specified in subsection (a) is not made in any State (as required by section 402(a)(13)), the Secretary of Health, Education, and Welfare may withhold any action under section 404 on account thereof and if he does so he shall instead, after reasonable notice and opportunity for hearing to the appropriate State agency or agencies, withhold any payments to be made to the State under sections 403(a), 453, 1604, and 1903(a) until the amount so withheld (including any amounts contributed by the State pursuant to the requirement in section 402(a)(13)) equals 10 per centum of such costs. Such withholding shall remain in effect until such time as the Secretary of Labor has assurances from the State that such 10 per centum will be contributed as required by section 402(a)(13). Amounts so withheld shall be deemed to have been paid to the State under such sections and shall be paid by the Secretary of Health, Education, and Welfare to the Secretary of Labor.

"CHILD CARE

"SEC. 436. (a)(1) For the purpose of assuring that individuals receiving benefits under part D or supplementary payments pursuant to part E will not be prevented from participating in training or employment by the unavailability of appropriate child care, there are authorized to be appropriated for each fiscal year such sums as may be necessary to enable the Secretary of Health, Education, and Welfare to make grants to any public or nonprofit private agency or organization, and contracts with any public or private agency or organization, for part or all of the cost of projects for the provision of child care, including necessary transportation and alteration, remodeling, and renovation of facilities, which may be necessary or appropriate in order to better enable an individual who has

been registered pursuant to part D or is receiving supplementary payments pursuant to part E to undertake or continue manpower training or employment under this part, or to enable an individual who has been referred pursuant to section 447(d) to participate in vocational rehabilitation, or to enable a member of a family which is or has been (within such period of time as the Secretary may prescribe) eligible for benefits under such part D or payments pursuant to such part E to undertake or continue manpower training or employment under this part; or, with respect to the period prior to the date when part D becomes effective for a State, to better enable an individual who is receiving aid to families with dependent children, or whose needs are taken into account in determining the need of any one claiming or receiving such aid, to participate in manpower training or employment.

"(2) Such grants or contracts for the provision of child care in any area may be made directly, or through grants to any public or nonprofit private agency which is designated by the appropriate elected or appointed official or officials in such area and which demonstrates a capacity to work effectively with the manpower agency in such area (including provision for the stationing of personnel with the manpower team in appropriate cases). To the extent appropriate, such care for children attending school which is provided on a group or institutional basis shall be provided through arrangements with the appropriate local educational agency.

"(3) Such projects shall provide for various types of child care needed in the light of the different circumstances and needs of the children involved.

"(b) Such sums shall also be available to enable the Secretary of Health, Education, and Welfare to make grants to any public or nonprofit private agency or organization, and contracts with any public or private agency or organization, for evaluation, training of personnel, technical assistance, or research or demonstration projects to determine more effective methods of providing any such care.

"(c) The Secretary of Health, Education, and Welfare may provide, in any case in which a family is able to pay for part or all of the cost of child care provided under a project assisted under this section, for payment by the family of such fees for the care as may be reasonable in the light of such ability.

"SUPPORTIVE SERVICES

"SEC. 437. (a) No payments shall be made to any State under title V, XVI, or XIX, or part A or B of this title, with respect to expenditures for any calendar quarter beginning on or after the date part D becomes effective with respect to such State, unless it has in effect an agreement with the Secretary of Health, Education, and Welfare under which it will provide health, vocational rehabilitation, counseling, social, and other supportive services which the Secretary under regulations determines to be necessary to permit an individual who has been registered pursuant to part D or is receiving supplementary payments pursuant to part E to undertake or continue manpower training and employment under this part.

"(b) Services under such an agreement shall be provided in close cooperation with manpower training and employment services provided under this part.

"(c) The Secretary of Health, Education, and Welfare shall from time to time, in such installments and on such conditions as he deems appropriate, pay to any State with which he has an agreement pursuant to subsection (a) up to 90 per centum of the cost of such State of carrying out such agreement. There are authorized to be appropriated for each fiscal year such sums as may be necessary to carry out this section.

"ADVANCE FUNDING

"SEC. 438. (a) For the purpose of affording adequate notice of funding available under this part, appropriations for grants, contracts, or other payments with respect to individuals registered pursuant to section 447 are authorized to be included in the appropriation Act for the fiscal year preceding the fiscal year for which they are available for obligation.

"(b) In order to effect a transition to the advance funding method of timing appropriation action, subsection (a) shall apply notwithstanding that its initial application will result in enactment in the same year (whether in the same appropriation Act or otherwise) of two separate appropriations, one for the then current fiscal year and one for the succeeding fiscal year.

"EVALUATION AND RESEARCH; REPORTS TO CONGRESS

"SEC. 439. (a)(1) The Secretary shall (jointly with the Secretary of Health, Education, and Welfare) provide for the continuing evaluation of the manpower training and employment programs provided under this part, including their effectiveness in achieving stated goals and their impact on other related programs. The Secretary may conduct research regarding, and demonstrations of, ways to improve the effectiveness of the manpower training and employment programs so provided and may also conduct demonstrations of improved training techniques for upgrading the skills of the working poor. The Secretary may, for these purposes, contract for independent evaluations of and research regarding such programs or individual projects under such programs, and establish a data collection, processing, and retrieval system.

"(2) There are authorized to be appropriated such sums, not exceeding $15,000,000 for any fiscal year, as may be necessary to carry out paragraph (1).

"(b) On or before September 1 following each fiscal year in which part D is effective with respect to any State—

"(1) the Secretary shall report to the Congress on the manpower training and employment programs provided under this part in such fiscal year, and

"(2) the Secretary of Health, Education, and Welfare shall report to the Congress on the child care and supportive services provided under this part in such fiscal year."

CONFORMING AMENDMENTS RELATING TO ASSISTANCE FOR NEEDY FAMILIES WITH CHILDREN

SEC. 103. (a) Section 401 of the Social Security Act (42 U.S.C. 601) is amended—

(1) by striking out "financial assistance and" in the first sentence; and

(2) by striking out "aid and" in the second sentence.

(b)(1) Subsection (a) of section 402 of such Act (42 U.S.C. 602) is amended—

(A) by striking out "aid and" in the matter preceding clause (1);

(B) by inserting, before "provide" at the beginning of clause (1), "except to the extent permitted by the Secretary,";

(C) by striking out clause (4);

(D) (i) by striking out "recipients and other persons" in clause (5) (B) and inserting in lieu thereof "persons", and

(ii) by striking out "providing services to applicants and recipients" in such clause and inserting in lieu thereof "providing services under the plan";

(E) by striking out clauses (7) and (8);

(F) by striking out "aid to families with dependent children" in clause (9) and inserting in lieu thereof "the plan";

(G) by striking out clauses (10), (11), and (12);

(H) (i) by striking out "section 406(d)" in clause (14) and inserting in lieu thereof "section 405(c)",

(ii) by striking out "for each child and relative who receives aid to families with dependent children, and each appropriate individual (living in the same home as a relative and child receiving such aid whose needs are taken into account in making the determination under clause (7))" in such clause and inserting in lieu thereof "for each member of a family receiving assistance to needy families with children, each appropriate individual (living in the same home as such family) whose needs would be taken into acount in determining the need of any such member under the State plan (approved under this part) as in effect prior to the enactment of part D, and each individual who would have been eligible to receive aid to families with dependent children under such plan", and

(iii) by striking out "such child, relative, and individual" each place it appears in such clause and inserting in lieu thereof "such member or individual";

(I) by striking out clause (15) and inserting in lieu thereof the following: "(15) (A) provide for the development of a program, for appropriate members of such families and such other individuals, for preventing or reducing the incidence of births out of wedlock and otherwise strengthening family life, and for implementing such program by assuring that in all appropriate cases family planning services are offered to them, but acceptance of family planning services provided under the plan shall be voluntary on the part of such members and individuals and shall not be a prerequisite to eligibility for or the receipt of any other service under the plan; and (B) to the extent that services provided under this clause or clause (8) are furnished by the staff of the State agency or the local agency administering the State plan in each of the political subdivisions of the State, for the establishment of a single organizational unit in such State or local agency, as the case may be, responsible for the furnishing of such services;"

(J) by striking out "aid" in clause (16) and inserting in lieu thereof "assistance to needy families with children";

(K) (i) by striking out "aid to families with dependent children" in clause (17) (A) (i) and inserting in lieu thereof "assistance to needy families with children",

(ii) by striking out "aid" in clause (17) (A) (ii) and inserting in lieu thereof "assistance", and

(iii) by striking out "and" at the end of clause (i), and adding after clause (ii) the following new clause:

"(iii) in the case of any parent (of a child referred to in clause (ii)) receiving such assistance who has been deserted or abandoned by his or her spouse, to secure support for such parent from such spouse (or from any other person legally liable for such support), utilizing any reciprocal arrangements adopted with other States to obtain or enforce court orders for support, and";

(L) by striking out "clause (17)(A)" in clause (18) and inserting in lieu thereof "clause (11)(A)";

(M) by striking out clause (19) and inserting in lieu thereof the following: "(19) provide for arrangements to assure that there will be made a non-Federal contribution to the cost of manpower services, training, and employment and opportunities provided for individuals registered pursuant to section 447, in cash or kind, equal to 10 per centum of such cost;";

(N) by striking out "aid to families with dependent children in the form of foster care in accordance with section 408" in clause (20) and inserting in lieu thereof "payments for foster care in accordance with section 406";

(O) (i) by striking out "of each parent of a dependent child or children with re-

spect to whom aid is being provided under the State plan" in clause (21)(A) and inserting in lieu thereof "of each person who is the parent of a child or children with respect to whom assistance to needy families with children or foster care is being provided or is the spouse of the parent of such a child or children",

(ii) by striking out "such child or children" in clause (21)(A)(i) and inserting in lieu thereof "such child or children or such parent",

(iii) by striking out "such parent" each place it appears in clause (21)(B) and inserting in lieu thereof "such person", and

(iv) by striking out "section 410;" in clause (21)(C) and inserting in lieu thereof "section 408; and";

(P)(i) by striking out "a parent" each place it appears in clause (22) and inserting in lieu thereof "a person",

(ii) by striking out "a child or children of such parent" each place it appears in such clause and inserting in lieu thereof "the spouse or a child or children of such person",

(iii) by striking out "against such parent" in such clause and inserting in lieu thereof "against such person", and

(iv) by striking out "aid is being provided under the plan of such other State" each place it appears in such clause and inserting in lieu thereof "assistance to needy families with children or foster care payments are being provided in such other State"; and

(Q) by striking out "; and (23)" and all that follows and inserting in lieu thereof a period.

(2) Clauses (5), (6), (9), (13), (14), (15), (16), (17), (18), (19), (20), (21), and (22) of section 402(a) of such Act, as amended by paragraph (1) of this subsection, are redesignated as clauses (4) through (16), respectively.

(c) Section 402(b) of such Act is amended to read as follows:

"(b) The Secretary shall approve any plan which fulfills the conditions specified in subsection (a), except that he shall not approve any plan which imposes, as a condition of eligibility for services under it, any residence requirement which denies services or foster care payments with respect to any individual residing in the State."

(d) Section 402 of such Act is further amended by striking out subsection (c).

(e)(1) Subsection (a) of section 403 of such Act (42 U.S.C. 603) is amended—

(A) by striking out "aid and services" and inserting in lieu thereof "services" in the matter preceding paragraph (1);

(B) by striking out paragraph (1) and inserting in lieu thereof the following:

"(1) an amount equal to the sum of the following proportions of the total amounts expended during such quarter as payments for foster care in accordance with section 406—

"(A) five-sixths of such expenditures, not counting so much of any expenditures with respect to any month as exceeds the product of $18 multiplied by the number of children receiving such foster care in such month; plus

"(B) the Federal percentage of the amount by which such expenditures exceed the maximum which may be counted under subparagraph (A), not counting so much of any expenditures with respect to any month as exceeds the product of $100 multiplied by the number of children receiving such foster care for such month;";

(C) by striking out paragraph (2);

(D)(i) by striking out "in the case of any State," in the matter preceding subparagraph (A) in paragraph (3),

(ii) by striking out "or relative who is receiving aid under the plan, or to any other individual (living in the same home as such relative and child) whose needs are taken into account in making the determination under clause (7) of such section" in clause (i) of subparagraph (A) of such paragraph and inserting in lieu thereof "receiving foster care or any member of a family receiving assistance to needy families with children or to any other individual (living in the same home as such family) whose needs would be taken into account in determining the need of any such member under the State plan approved under this part as in effect prior to the enactment of part D",

(iii) by striking out "child or relative who is applying for aid to families with dependent children or" in clause (ii) of subparagraph (A) of such paragraph and inserting in lieu thereof "member of a family",

(iv) by striking out "likely to become an applicant for or recipient of such aid" in clause (ii) of subparagraph (A) of such paragraph and inserting in lieu thereof "likely to become eligible to receive such assistance", and

(v) by striking out "(14) and (15)" each place it appears in subparagraph (A) of such paragraph and inserting in lieu thereof "(8) and (9)";

(E) by striking out all that follows "permitted" in the last sentence of such paragraph and inserting in lieu thereof "by the Secretary; and";

(F) by striking out "in the case of any State," in the matter preceding subparagraph (A) in paragraph (5);

(G) by striking out "section 406(e)" each place it appears in paragraph (5) and inserting in lieu thereof "section 405(d)"; and

(H) by striking out the sentences following paragraph (5).

(2) Paragraphs (3) and (5) of section 403(a) of such Act, as amended by paragraph (1) of this subsection, are redesignated as paragraphs (2) and (3), respectively.

(f) Section 403(b) of such Act is amended—

(1) by striking out "(B) records showing the number of dependent children in the State, and (C)" in paragraph (1) and inserting in lieu thereof "and (B)"; and

(2) by striking out "(A)" in paragraph (2), and by striking out ", and (B)" and all that follows in such paragraph and inserting in lieu thereof a period.

(g) Section 404 of such Act (42 U.S.C. 604) is amended—

(1) by striking out "(a) In the case of any State plan for aid and services" and inserting in lieu thereof "In the case of any State plan for services"; and

(2) by striking out subsection (b).

(h) Section 405 of such Act (42 U.S.C. 605) is repealed.

(i) Section 406 of such Act (42 U.S.C. 606) is redesignated as section 405, and as so redesignated is amended—

(1) by striking out subsections (a) and (b) and inserting in lieu thereof the following:

"(a) The term 'child' means a child as defined in section 445(b).

"(b) The term 'needy families with children' means families who are receiving family assistance benefits under part D and who (1) are receiving supplementary payments under part E, or (2) would be eligible to receive aid to families with dependent children, under a State plan (approved under this part) as in effect prior to the enactment of part D, if the State plan had continued in effect and if it included assistance to dependent children of unemployed fathers pursuant to section 407 as it was in effect prior to such enactment; and 'assistance to needy families with children' means family assistance benefits under such part D, paid to such families.";

(2) by striking out subsection (c) and redesignating subsections (d) and (e) as subsections (c) and (d), respectively;

(3)(A) by striking out "living with any of the relatives specified in subsection (a)(1) in a place of residence maintained by one or more of such relatives as his or their own home" in paragraph (1) of subsection (d) as so redesignated and inserting in lieu thereof "a member of a family (as defined in section 445(a))", and

(B) by striking out "because such child or relative refused" and inserting in lieu thereof "because such child or another member of such family refused".

(j) Section 407 of such Act (42 U.S.C. 607) is repealed.

(k) Section 408 of such Act (42 U.S.C. 608) is redesignated as section 406, and as so redesignated is amended—

(1) by striking out everything (including the heading) which precedes paragraph (1) of subsection (b) and inserting in lieu thereof the following:

"FOSTER CARE

"SEC. 406. For purposes of this part—

"(a) 'foster care' shall include only foster care which is provided in behalf of a child (1) who would, except for his removal from the home of a family as a result of a judicial determination to the effect that continuation therein would be contrary to his welfare, be a member of such family receiving assistance to needy families with children, (2) whose placement and care are the responsibility of (A) the State or local agency administering the State plan approved under section 402, or (B) any other public agency with whom the State agency administering or supervising the administration of such State plan has made an agreement which is still in effect and which includes provision for assuring development of a plan, satisfactory to such State agency, for such child as provided in paragraph (e)(1) and such other provisions as may be necessary to assure accomplishment of the objectives of the State plan approved under section 402, (3) who has been placed in a foster family home or child-care institution as a result of such determination, and (4) who (A) received assistance to needy families with children in or for the month in which court proceedings leading to such determination were initiated, or (B) would have received such assistance to needy families with children in or for such month if application had been made therefor, or (C) in the case of a child who had been a member of a family (as defined in section 445(a)) within six months prior to the month in which such proceedings were initiated, would have received such assistance in or for such month if in such month he had been a member of (and removed from the home of) such a family and application had been made therefor;

"(b) 'foster care' shall, however, include the care described in paragraph (a) only if it is provided—";

(2)(A) by striking out "'aid to families with dependent children'" in subsection (b)(2) and inserting in lieu thereof "foster care",

(B) by striking out "such foster care" in such subsection and inserting in lieu thereof "foster care", and

(C) by striking out the period at the end of such subsection and inserting in lieu thereof "; and";

(3) by striking out subsection (c) and redesignating subsections (d), (e), and (f) as subsections (c), (d), and (e), respectively;

(4) by striking out "paragraph (f)(2)" and "section 403(a)(3)" in subsection (c) (as so redesignated) and inserting in lieu thereof "paragraph (e)(2)" and "section 403(a)(2)" respectively;

(5) by striking out "aid" in subsection (d) (as so redesignated) and inserting in lieu thereof "services";

(6) by striking out "relative specified in section 406(a)" in subsection (e)(1) (as so redesignated) and inserting in lieu thereof "family (as defined in section 445(a))"; and

(7) by striking out "522" and "part 3 of

title V" in subsection (e)(2) (as so redesignated) and inserting in lieu thereof "422" and "part B of this title", respectively.

(l)(1) Section 409 of such Act (42 U.S.C. 609) is repealed.

(m) Section 410 of such Act (42 U.S.C. 610) is redesignated as section 407; and subsection (a) of such section (as so redesignated) is amended by striking out "section 402(a)(21)" and inserting in lieu thereof "section 402(a)(15)".

(n)(1) Section 422(a)(1)(A) of such Act is amended by striking out "section 402(a)(15)" and inserting in lieu thereof "section 402(a)(9)".

(2) Section 422(a)(1)(B) of such Act is amended by striking out "provided for dependent children" and inserting in lieu thereof "provided with respect to needy families with children".

(o) References in any law, regulation, State plan, or other document to any provision of part A of title IV of the Social Security Act which is redesignated by this section shall (from and after the effective date of the amendments made by this Act) be considered to be references to such provision as so redesignated.

CHANGES IN HEADINGS

SEC. 104. (a) The heading of title IV of the Social Security Act (42 U.S.C. 601, et seq.) is amended to read as follows:

"TITLE IV—FAMILY ASSISTANCE BENEFITS, STATE SUPPLEMENTARY PAYMENTS, WORK INCENTIVE PROGRAMS, AND GRANTS TO STATES FOR FAMILY AND CHILD WELFARE SERVICES".

(b) The heading of part A of such title IV is amended to read as follows:

"PART A—SERVICES TO NEEDY FAMILIES WITH CHILDREN".

TITLE II—AID TO THE AGED, BLIND, AND DISABLED

GRANTS TO STATES FOR AID TO THE AGED, BLIND, AND DISABLED

SEC. 201. Title XVI of the Social Security Act (42 U.S.C. 1381 et seq.) is amended to read as follows:

"TITLE XVI—GRANTS TO STATES FOR AID TO THE AGED, BLIND AND DISABLED

"APPROPRIATIONS

"SEC. 1601. For the purpose of enabling each State to furnish financial assistance to needy individuals who are sixty-five years of age or over, blind, or disabled and for the purpose of encouraging each State to furnish rehabilitation and other services to help such individuals attain or retain capability for self-support or self-care, there are authorized to be appropriated for each fiscal year sums sufficient to carry out these purposes. The sums made available under this section shall be used for making payments to States having State plans approved under section 1602.

"STATE PLANS FOR FINANCIAL ASSISTANCE AND SERVICES TO THE AGED, BLIND, AND DISABLED

"SEC. 1602. (a) A State plan for aid to the aged, blind, and disabled must—

"(1) provide for the establishment or designation of a single State agency to administer or supervise the administration of the State plan;

"(2) provide such methods of administration as are found by the Secretary to be necessary for the proper and efficient operation of the plan, including methods relating to the establishment and maintenance of personnel standards on a merit basis (but the Secretary shall exercise no authority with respect to the selection, tenure of office, and compensation of individuals employed in accordance with such methods);

"(3) provide for the training and effective use of social service personnel in the administration of the plan, for the furnishing of technical assistance to units of State government and of political subdivisions which are furnishing financial assistance or services to the aged, blind, and disabled, and for the development through research or demonstration projects of new or improved methods of furnishing assistance or services to the aged, blind, and disabled;

"(4) provide for the training and effective use of paid subprofessional staff (with particular emphasis on the full-time or part-time employment of recipients and other persons of low income as community service aides) in the administration of the plan and for the use of non-paid or partially paid volunteers in a social service volunteer program in providing services to applicants and recipients and in assisting any advisory committees established by the State agency;

"(5) provide that all individuals wishing to make application for aid under the plan shall have opportunity to do so and that such aid shall be furnished with reasonable promptness with respect to all eligible individuals;

"(6) provide for the use of a simplified statement, conforming to standards prescribed by the Secretary, to establish eligibility, and for adequate and effective methods of verification of eligibility of applicants and recipients through the use, in accordance with regulations prescribed by the Secretary, of sampling and other scientific techniques;

"(7) provide that, except to the extent permitted by the Secretary with respect to services, the State plan shall be in effect in all political subdivisions of the State, and, if administered by them, be mandatory upon them;

"(8) provide for financial participation by the State;

"(9) provide that, in determining whether an individual is blind, there shall be an examination by a physician skilled in the diseases of the eye or by an optometrist, whichever the individual may select;

"(10) provide for granting an opportunity for a fair hearing before the State agency to any individual whose claim for aid under the plan is denied or is not acted upon with reasonable promptness;

"(11) provide for periodic evaluation of the operations of the State plan, not less often than annually, in accordance with standards prescribed by the Secretary, and the furnishing of annual reports of such evaluations to the Secretary together with any necessary modifications of the State plan resulting from such evaluations;

"(12) provide that the State agency will make such reports, in such form and containing such information, as the Secretary may from time to time require, and comply with such provisions as the Secretary may from time to time find necessary to assure the correctness and verification of such reports;

"(13) provide safeguards which restrict the use or disclosure of information concerning applicants and recipients to purposes directly connected with the administration of the plan;

"(14) provide, if the plan includes aid to or on behalf of individuals in private or public institutions, for the establishment or designation of a State authority or authorities which shall be responsible for establishing and maintaining standards for such institutions;

"(15) provide a description of the services which the State makes available to applicants for or recipients of aid under the plan to help them attain self-support or self-care, including a description of the steps taken to assure, in the provision of such services, maximum utilization of all available services that are similar or related; and

"(16) assure that, in administering the State plan and providing services thereunder, the State will observe priorities established by the Secretary and comply with such performance standards as the Secretary may, from time to time, establish.

Notwithstanding, paragraph (1), if on January 1, 1962, and on the date on which a State submits (or submitted) its plan for approval under this title, the State agency which administered or supervised the administration of the plan of such State approved under title X was different from the State agency which administered or supervised the administration of the plan of such State approved under title I and the State agency which administered or supervised the administration of the plan of such State approved under title XIV, then the State agency which administered or supervised the administration of such plan approved under title X may be designated to administer or supervise the administration of the portion of the State plan for the aged, blind, and disabled which relates to blind individuals and a separate State agency may be established or designated to administer or supervise the administration of the rest of such plan; and in such case the part of the plan which each such agency administers, or the administration of which each such agency supervises, shall be regarded as a separate plan for purposes of this title.

"(b) The Secretary shall approve any plan which fulfills the conditions specified in subsection (a) and in section 1603, except that he shall not approve any plan which imposes, as a condition of eligibility for aid under the plan—

"(1) an age requirement of more than sixty-five years;

"(2) any residency requirement which excludes any individual who resides in the State;

"(3) any citizenship requirement which excludes any citizen of the United States, or any alien lawfully admitted for permanent residence who has resided in the United States continuously during the five years immediately preceding his application for such aid;

"(4) any disability or age requirement which excludes any person under a severe disability, as determined in accordance with criteria prescribed by the Secretary, who are eighteen years of age or older, or

"(5) any blindness or age requirement which excludes any persons who are blind as determined in accordance with criteria prescribed by the Secretary.

In the case of any State to which the provisions of section 344 of the Social Security Act Amendments of 1950 were applicable on January 1, 1962, and to which the sentence of section 1002(b) following paragraph (2) thereof is applicable on the date on which its State plan was or is submitted for approval under this title, the Secretary shall approve the plan of such State for aid to the aged, blind, and disabled for purposes of this title, even though it does not meet the requirements of section 1603(a), if it meets all other requirements of this title for an approved plan for aid to the aged, blind, and disabled; but payments to the State under this title shall be made, in the case of any such plan, only with respect to expenditures thereunder which would be included as expenditures for the purposes of this title under a plan approved under this section without regard to the provisions of this sentence.

"DETERMINATION OF NEED

"SEC. 1603. (a) A State plan must provide that, in determining the need for aid under the plan, the State agency shall take into consideration any other income or resources of the individual claiming such aid as well as any expenses reasonably attributable to the earning of any such income; except that, in making such determination with respect to any individual—

"(1) the State agency shall not consider as resources (A) the home, household goods, and personal effects of the individual, (B)

other personal or real property, the total value of which does not exceed $1,500, or (C) other property which, as determined in accordance with and subject to limitations in regulations of the Secretary, is so essential to the family's means of self-support as to warrant its exclusion, but shall apply the provisions of section 442(d) and regulations thereunder;

"(2) the State agency may not consider the financial responsibility of any individual for any applicant or recipient unless the applicant or recipient is the individual's spouse, or the individual's child who is under the age of twenty-one or is blind or severely disabled;

"(3) if such individual is blind, the State agency (A) shall disregard the first $85 per month of earned income plus one-half of earned income in excess of $85 per month, and (B) shall, for a period not in excess of twelve months, and may, for a period not in excess of thirty-six months, disregard such additional amounts of other income and resources, in the case of any such individual who has a plan for achieving self-support approved by the State agency, as may be necessary for the fulfillment of such plan;

"(4) if such individual is not blind but is severely disabled, the State agency (A) shall disregard the first $85 per month of earned income plus one-half of earned income in excess of $85 per month, and (B) shall, for a period not in excess of twelve months, and may, for a period not in excess of thirty-six months, disregard such additional amounts of other income and resources, in the case of any such individual who has a plan for achieving self-support approved by the State agency, as may be necessary for the fulfillment of the plan, but only with respect to the part or parts of such period during substantially all of which he is undergoing vocational rehabilitation;

"(5) if such individual has attained age sixty-five and is neither blind nor severely disabled, the State agency may disregard not more than the first $60 per month of earned income plus one-half of the remainder thereof; and

"(6) the State agency may, before disregarding any amounts under the preceding paragraphs of this subsection, disregard not more than $7.50 of any income.

For requirement of additional disregarding of income of OASDI recipients in determining need for aid under the plan, see section 1007 of the Social Security Amendments of 1969.

"(b) A State plan must also provide that—

"(1) each eligible individual, other than one who is a patient in a medical institution or is receiving institutional services in an intermediate care facility to which section 1121 applies, shall receive financial assistance in such amount as, when added to his income which is not disregarded pursuant to subsection (a), will provide a minimum of $110 per month;

"(2) the standard of need applied for determining eligibility for and amount of aid to the aged, blind, and disabled shall not be lower than (A) the standard applied for this purpose under the State plan (approved under this title) as in effect on the date of enactment of part D of title IV of this Act, or (B) if there was no such plan in effect for such State on such date, the standard of need which was applicable under—

"(i) the State plan which was in effect on such date and was approved under title I, in the case of any individual who is sixty-five years of age or older,

"(ii) the State plan in effect on such date and approved under title X, in the case of an individual who is blind, or

"(iii) the State plan in effect on such date and approved under title XIV, in the case of an individual who is severely disabled,

except that if two or more of clauses (i), (ii), and (iii) are applicable to an individual, the standard of need applied with respect to such individual may not be lower than the higher (or highest) of the standards under the applicable plans, and except that if none of such clauses is applicable to an individual, the standard of need applied with respect to such individual may not be lower than the higher (or highest) of the standards under the State plans approved under titles I, X, and XIV which were in effect on such date; and

"(3) no aid will be furnished to any individual under the State plan for any period with respect to which he is considered a member of a family receiving family assistance benefits under part D of title IV or supplementary payments pursuant to part E thereof, or training allowances under part C thereof, for purposes of determining the amount of such benefits, payments, or allowances (but this paragraph shall not apply to any individual, otherwise considered a member of such a family, if he elects in such manner and form as the Secretary may prescribe not to be considered a member of such a family).

"(c) For special provisions applicable to Puerto Rico, the Virgin Islands, and Guam, see section 1108(e).

"PAYMENTS TO STATES FOR AID TO THE AGED, BLIND, AND DISABLED

"SEC. 1604. From the sums appropriated therefor, the Secretary shall pay to each State which has a plan approved under this title, for each calendar quarter, an amount equal to the sum of the following proportions of the total amounts expended during each month of such quarter as aid to the aged, blind, and disabled under the State plan—

"(1) 90 per centum of such expenditures, not counting so much of any expenditures as exceeds the product of $65 multiplied by the total number of recipients of such aid for such month; plus

"(2) 25 per centum of the amount by which such expenditures exceed the maximum which may be counted under paragraph (1), not counting so much of any expenditures with respect to such month as exceeds the product of the amount which, as determined by the Secretary, is the maximum permissible level of assistance per person in which the Federal Government will participate financially, multiplied by the total number of recipients of such aid for such month.

In the case of any individual in Puerto Rico, the Virgin Islands, or Guam, the maximum permissible level of assistance under paragraph (2) may be lower than in the case of individuals in the other States. For other special provisions applicable to Puerto Rico, the Virgin Islands, and Guam, see section 1108(e).

"ALTERNATE PROVISION FOR DIRECT FEDERAL PAYMENTS TO INDIVIDUALS

"SEC. 1605. The Secretary may enter into an agreement with a State under which he will, on behalf of the State, pay aid to the aged, blind, and disabled directly to individuals in the State under the State's plan approved under this title and perform such other functions of the State in connection with such payments as may be agreed upon. In such case payments shall not be made as provided in section 1604 and the agreement shall also provide for payment to the Secretary by the State of its share of such aid (adjusted to reflect the State's share of any overpayments recovered under section 1606).

"OVERPAYMENTS AND UNDERPAYMENTS

"SEC. 1606. Whenever the Secretary finds that more or less than the correct amount of payment has been made to any person as a direct Federal payment pursuant to section 1605, proper adjustment or recovery shall, subject to the succeeding provisions of this section, be made by appropriate adjustments in future payments of the overpaid individual or by recovery from him or his estate or payment to him. The Secretary shall make such provision as he finds appropriate in the case of payment of more than the correct amount of benefits with a view to avoiding penalizing individuals who were without fault in connection with the overpayment, if adjustment or recovery on account of such overpayment in such case would defeat the purposes of this title, or be against equity or good conscience, or (because of the small amount involved) impede efficient or effective administration.

"OPERATION OF STATE PLANS

"SEC. 1607. If the Secretary, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of the State plan approved under this title, finds—

"(1) that the plan no longer complies with the provisions of sections 1602 and 1603; or

"(2) that in the administration of the plan there is a failure to comply substantially with any such provision; the Secretary shall notify such State agency that all, or such portion as he deems appropriate, of any further payments will not be made to the State or individuals within the State under this title (or, in his discretion, that payments will be limited to categories under or parts of the State plan not affected by such failure), until the Secretary is satisfied that there will no longer be any such failure to comply. Until he is so satisfied he shall make no such further payments to the State or individuals in the State under this title (or shall limit payments to categories under or parts of the State plan not affected by such failure).

"PAYMENTS TO STATES FOR SERVICES AND ADMINISTRATION

"SEC. 1608. (a) If the State plan of a State approved under section 1602 provides that the State agency will make available to applicants for or recipients of aid to the aged, blind, and disabled under the State plan at least those services to help them attain or retain capability for self-support or self-care which are prescribed by the Secretary, such State shall qualify for payments for services under subsection (b) of this section.

"(b) In the case of any State whose State plan approved under section 1602 meets the requirements of subsection (a), the Secretary shall pay to the State from the sums appropriated therefor an amount equal to the sum of the following proportions of the total amounts expended during each quarter, as found necessary by the Secretary for the proper and efficient administration of the State plan—

"(1) 75 per centum of so much of such expenditures as are for—

"(A) services which are prescribed pursuant to subsection (a) and are provided (in accordance with subsection (c)) to applicants for or recipients of aid under the plan to help them attain or retain capability for self-support or self-care, or

"(B) other services, specified by the Secretary as likely to prevent or reduce dependency, so provided to the applicants for or recipients of aid, or

"(C) any of the services prescribed pursuant to the subsection (a), and any of the services specified in subparagraph (B) of this paragraph, which the Secretary may specify as appropriate for individuals who, within such period or periods as the Secretary may prescribe, have been or are likely to become applicants for or recipients of aid under the plan, if such services are requested by the individuals and are provided to them in accordance with subsection (c), or

"(D) the training of personnel employed or preparing for employment by the State agency or by the local agency administering the plan in the political subdivision; plus

"(2) one-half of so much of such expenditures (not included under paragraph (1)) as are for services provided (in accordance with subsection (c)) to applicants for or

recipients of aid under the plan, and to individuals requesting such services who (within such period or periods as the Secretary may prescribe) have been or are likely to become applicants for or recipients of such aid; plus

"(3) one-half of the remainder of such expenditures.

"(c) The services referred to in paragraphs (1) and (2) of subsection (b) shall, except to the extent specified by the Secretary, include only—

"(1) services provided by the staff of the State agency, or the local agency administering the State plan in the political subdivision (but no funds authorized under this title shall be available for services defined as vocational rehabilitation services under the Vocational Rehabilitation Act (A) which are available to individuals in need of them under programs for their rehabilitation carried on under a State plan approved under that Act, or (B) which the State agency or agencies administering or supervising the administration of the State plan approved under that Act are able and willing to provide if reimbursed for the cost thereof pursuant to agreement under paragraph (2), if provided by such staff), and

"(2) subject to limitations prescribed by the Secretary, services which in the judgment of the State agency cannot be as economically or as effectively provided by the staff of that State or local agency and are not otherwise reasonably available to individuals in need of them, and which are provided, pursuant to agreement with the State agency, by the State health authority or the State agency or agencies administering or supervising the administration of the State plan for vocational rehabilitation services approved under the Vocational Rehabilitation Act or by any other State agency which the Secretary may determine to be appropriate (whether provided by its staff or by contract with public (local) or nonprofit private agencies).

Services described in clause (B) of paragraph (1) may be provided only pursuant to agreement with the State agency or agencies administering or supervising the administration of the State plan for vocational rehabilitation services approved under the Vocational Rehabilitation Act.

"(d) The portion of the amount expended for administration of the State plan to which paragraph (1) of subsection (b) applies and the portion thereof to which paragraphs (2) and (3) of subsection (b) apply shall be determined in accordance with such methods and procedures as may be permitted by the Secretary.

"(e) In the case of any State whose plan approved under section 1602 does not meet the requirements of subsection (a) of this section, there shall be paid to the State, in lieu of the amount provided for under subsection (b), an amount equal to one-half the total of the sums expended during each quarter as found necessary by the Secretary for the proper and efficient administration of the State plan, including services referred to in subsections (b) and (c) and provided in accordance with the provisions of those subsections.

"(f) In the case of any State whose State plan included a provision meeting the requirements of subsection (a), but with respect to which the Secretary finds, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of the plan, that—

"(1) the provision no longer complies with the requirements of subsection (a), or

"(2) in the administration of the plan there is a failure to comply substantially with such provision,

the Secretary shall notify the State agency that all, or such portion as he deems appropriate, of any further payments will not be made to the State under subsection (b) until he is satisfied that there will no longer be any such failure to comply. Until the Secretary is so satisfied, no such further payments with respect to the administration of and services under the State plan shall be made, but, instead, such payments shall be made, subject to the other provisions of this title, under subsection (e).

"COMPUTATION OF PAYMENTS TO STATES

"SEC. 1609. (a) (1) Prior to the beginning of each quarter, the Secretary shall estimate the amount to which a State will be entitled under sections 1604 and 1608 for that quarter, such estimates to be based on (A) a report filed by the State containing its estimate of the total sum to be expended in that quarter in accordance with the provisions of sections 1604 and 1608, and stating the amount appropriated or made available by the State and its political subdivisions for such expenditures in that quarter, and, if such amount is less than the State's proportionate share of the total sum of such estimated expenditures, the source or sources from which the difference is expected to be derived, and (B) such other investigation as the Secretary may find necessary.

"(2) The Secretary shall then pay in such installments as he may determine, the amount so estimated, reduced or increased to the extent of any overpayment or underpayment which the Secretary determines was made under this section to the State for any prior quarter and with respect to which adjustment has not already been made under this subsection.

"(b) The pro rata share to which the United States is equitably entitled, as determined by the Secretary, of the net amount recovered during any quarter by a State or political subdivision thereof with respect to aid furnished under the State plan, but excluding any amount of such aid recovered from the estate of a deceased recipient which is not in excess of the amount expended by the State or any political subdivision thereof for the funeral expenses of the deceased, shall be considered an overpayment to be adjusted under subsection (a) (2).

"(c) Upon the making of any estimate by the Secretary under this section, any appropriations available for payments under this title shall be deemed obligated.

"DEFINITION

"SEC. 1610. For purposes of this title, the term 'aid to the aged, blind, and disabled' means money payments to needy individuals who are 65 years of age or older, are blind, or are severely disabled, but such term does not include—

"(1) any such payments to any individual who is an inmate of a public institution (except as a patient in a medical institution); or

"(2) any such payments to any individual who has not attained 65 years of age and who is a patient in an institution for tuberculosis or mental diseases.

Such term also includes payments which are not included within the meaning of such term under the preceding sentence, but which would be so included except that they are made on behalf of such a needy individual to another individual who (as determined in accordance with standards prescribed by the Secretary) is interested in or concerned with the welfare of such needy individual, but only with respect to a State whose State plan approved under section 1602 includes provision for—

"(A) determination by the State agency that the needy individual has, by reason of his physical or mental condition, such inability to manage funds that making payments to him would be contrary to his welfare and, therefore, it is necessary to provide such aid through payments described in this sentence;

"(B) making such payments only in cases in which the payment will, under the rules otherwise applicable under the State plan for determining need and the amount of aid to the aged, blind, and disabled to be paid (and in conjunction with other income and resources), meet all the need of the individuals with respect to whom such payments are made;

"(C) undertaking and continuing special efforts to protect the welfare of such individuals and to improve, to the extent possible, his capacity for self-care and to manage funds;

"(D) periodic review by the State agency of the determination under clause (A) to ascertain whether conditions justifying such determination still exist, with provision for termination of the payments if they do not and for seeking judicial appointment of a guardian, or other legal representative, as described in section 1111, if and when it appears that such action will best serve the interests of the needy individual; and

"(E) opportunity for a fair hearing before the State agency on the determination referred to in clause (A) for any individual with respect to whom it is made.

Whether an individual is blind or severely disabled shall be determined for purposes of this title in accordance with criteria prescribed by the Secretary."

REPEAL OF TITLES I, X, AND XIV OF THE SOCIAL SECURITY ACT

SEC. 202. Titles I, X, and XIV of the Social Security Act (42 U.S.C. 301 et seq., 1201 et seq., and 1351 et seq.) are hereby repealed.

ADDITIONAL DISREGARDING OF INCOME OF OASDI RECIPIENTS IN DETERMINING NEED FOR AID TO THE AGED, BLIND, AND DISABLED

SEC. 203. Section 1007 of the Social Security Amendments of 1969 is amended by striikng out "and before July 1970".

TRANSITION PROVISION RELATING TO OVERPAYMENTS AND UNDERPAYMENTS

SEC. 204. In the case of any State which has a State plan approved under title I, X, XIV, or XVI of the Social Security Act as in effect prior to the enactment of this section, any overpayment or underpayment which the Secretary determines was made to such State under section 3, 1003, 1403, or 1603 of such Act with respect to a period before the approval of a plan under title XVI as amended by this Act, and with respect to which adjustment has not already been made under subsection (b) of such section 3, 1003, 1403, or 1603, shall, for purposes of section 1609(a) of such Act as herein amended, be considered an overpayment or underpayment (as the case may be) made under title XVI of such Act as herein amended.

TRANSITION PROVISION RELATING TO DEFINITIONS OF BLINDNESS AND DISABILITY

SEC. 205. In the case of any State which has in operation a plan of aid to the blind under title X, aid to the permanently and totally disabled under title XIV, or aid to the aged, blind, or disabled under title XVI, of the Social Security Act as in effect prior to the enactment of this Act, the State plan of such State submitted under title XVI of such Act as amended by this Act shall not be denied approval thereunder, with respect to the period ending with the first July 1 which follows the close of the first regular session of the legislature of such State which begins after the enactment of this Act, by reason of its failure to include therein a test of disability or blindness different from that included in the State's plan (approved under such title X, XIV, or XVI of such Act) as in effect on the date of the enactment of this Act.

TITLE III—MISCELLANEOUS CONFORMING AMENDMENTS

AMENDMENT OF SECTION 228(D)

SEC. 301. Section 228(d) (1) of the Social Security Act is amended by striking out "I, X, XIV, or", and by striking out "part A" and inserting in lieu thereof "receives payments

with respect to such month pursuant to part D or E".

AMENDMENTS TO TITLE XI

SEC. 302. Title XI of the Social Security Act is amended—

(1) by striking out "I,", "X,", and "XIV," in section 1101(a)(1);

(2) by striking out "I, X, XIV," in section 1106(c)(1)(A);

(3)(A) by striking out "I, X, XIV, and XVI" in section 1108(a) and inserting in lieu thereof "XVI", and

(B) by striking out "section 402(a)(19)" in section 1108(b) and inserting in lieu thereof "part A of title IV";

(4) by striking out the text of section 1109 and inserting in lieu thereof the following:

"SEC. 1109. Any amount which is disregarded (or set aside for future needs) in determining the eligibility for and amount of aid or assistance for any individual under a State plan approved under title XVI or XIX, or eligibility for and amount of payments pursuant to part D or E of title IV, shall not be taken into consideration in determining the eligibility for and amount of such aid, assistance, or payments for any other individual under such other State plan or such part D or E.";

(5)(A) by striking out "I, X, XIV, and" in section 1111, and

(B) by striking out "part A" in such section and inserting in lieu thereof "parts D and E";

(6)(A) by striking out "I, X, XIV," in the matter preceding clause (a) in section 1115, and by striking out "part A" in such matter and inserting in lieu thereof "parts A and E",

(B) by striking out "of section 2, 402, 1002, 1402," in clause (a) of such section and inserting in lieu thereof "of or pursuant to section 402, 452,", and

(C) by striking out "3, 403, 1003, 1403, 1603," in clause (b) of such section and inserting in lieu thereof "403, 453, 1604, 1608,";

(7)(A) by striking out "I, X, XIV," in subsections (a)(1), (b), and (d) of section 1116, and

(B) by striking out "4, 404, 1004, 1404, 1604," in subsection (a)(3) of such section and inserting in lieu thereof "404, 1607, 1608,";

(8) by repealing section 1118;

(9)(A) by striking out "I, X, XIV," in section 1119,

(B) by striking out "part A" in such section and inserting in lieu thereof "services under a State plan approved under part A", and

(C) by striking out "3(a), 403(a), 1003(a), 1403(a), or 1603(a)" in such section and inserting in lieu thereof "403(a) or 1604"; and

(10)(A) by striking out "a plan for old-age assistance, approved under title I, a plan for aid to the blind, approved under title X, a plan for aid to the permanently and totally disabled, approved under title XIV, or a plan for aid to the aged, blind, or disabled" in section 1121(a) and inserting in lieu thereof "a plan for aid to the aged, blind, and disabled", and

(B) by inserting "(other than a public nonmedical facility)" in such section after "intermediate care facilities" the first time it appears.

AMENDMENTS TO TITLE XVIII

SEC. 303. Title XVIII of the Social Security Act is amended—

(1)(A) by striking out "title I or" in section 1843(b)(1),

(B) by striking out "all of the plans" in section 1843(b)(2) and inserting in lieu thereof "the plan," and

(C) by striking out "titles I, X, XIV, and XVI, and part A" in section 1843(b)(2) and inserting in lieu thereof "title XVI and under part E";

(2)(A) by striking out "title I, X, XIV, or XVI or part A" in section 1843(f) both times it appears and inserting in lieu thereof "title XVI and under part E"; and

(B) by striking out "title I, XVI, or XIX" in such section and inserting in lieu thereof "title XVI or XIX"; and

(3) by striking out "I, XVI" in section 1863 and inserting in lieu thereof "XVI".

AMENDMENTS TO TITLE XIX

SEC. 304. Title XIX of the Social Security Act is amended—

(1) by striking out "families with dependent children" and "permanently and totally" in clause (1) of the first sentence of section 1901 and inserting in lieu thereof "needy families with children" and "severely", respectively;

(2) by striking out "I or" in section 1902(a)(5);

(3)(A) by striking out everything in section 1902(a)(10) which precedes clause (A) and inserting in lieu thereof the following:

"(10) provide for making medical assistance available to all individuals receiving assistance to needy families with children as defined in section 405(b), receiving payments under an agreement pursuant to part E of title IV, or receiving aid to the aged, blind, and disabled under a State plan approved under title XVI; and—", and

(B) by inserting "or payments under such part E" after "such plan" each time it appears in clauses (A) and (B) of such section;

(4) by striking out section 1902(a)(13)(B) and inserting in lieu thereof the following:

"(B) in the case of individuals receiving assistance to needy families with children as defined in section 405(b), receiving payments under an agreement pursuant to part E of title IV, or receiving aid to the aged, blind, and disabled under a State plan approved under title XVI, for the inclusion of at least the care and services listed in clauses (1) through (5) of section 1905(a), and";

(5) by striking out "aid or assistance under State plans approved under titles I, X, XIV, XVI, and part A of title IV," in section 1902(a)(14)(A) and inserting in lieu thereof "assistance to needy families with children as defined in section 405(b), receiving payments under an agreement pursuant to part E of title IV, or receiving aid to the aged, blind, and disabled under a State plan approved under title XVI,";

(6)(A) by striking out "aid or assistance under the State's plan approved under title I, X, XIV, or XVI, or part A of title IV," in so much of section 1902(a)(17) as precedes clause (A) and inserting in lieu thereof "assistance to needy families with children as defined in section 405(b), payments under an agreement pursuant to part E of title IV, or aid under a State plan approved under title XVI,",

(B) by striking out "aid or assistance in the form of money payments under a State plan approved under title I, X, XIV, or XVI, or part A of title IV" in clause (B) of such section and inserting in lieu thereof "assistance to needy families with children as defined in section 405(b), payments under an agreement pursuant to part E of title IV, or aid to the aged, blind, and disabled under a State plan approved under title XVI", and

(C) by striking out "aid or assistance under such plan" in such clause (B) and inserting in lieu thereof "assistance, aid, or payments";

(7) by striking out "section 3(a)(4)(A)(i) and (ii) or section 1603(a)(4)(A)(i) and (ii)" in section 1902(a)(20)(C) and inserting in lieu thereof "section 1608(b)(1)(A) and (B)";

(8) by striking out "title X (or title XVI, insofar as it relates to the blind) was different from the State agency which administered or supervised the administration of the State plan approved under title I (or title XVI, insofar as it relates to the aged), the State agency which administered or supervised the administration of such plan approved under title X (or title XVI, insofar as it relates to the blind)" in the last sentence of section 1902(a) and inserting in lieu thereof "title XVI, insofar as it relates to the blind, was different from the agency which administered or supervised the administration of such plan insofar as it relates to the aged, the agency which administered or supervised the administration of the plan insofar as it relates to the blind";

(9) by striking out "section 406(a)" in section 1902(b)(2) and inserting in lieu thereof "section 405(b)";

(10) by striking out "I, X, XIV, or XVI, or part A" in section 1902(c) and inserting in lieu thereof "XVI or under an agreement under part E";

(11) by striking out "I, X, XIV, or XVI, or part A" in section 1903(a)(1) and inserting in lieu thereof "XVI or under an agreement under part E";

(12) by repealing section 1903(c);

(13) by striking out "highest amount which would ordinarily be paid to a family of the same size without any income or resources in the form of money payments, under the plan of the State approved under part A of title IV of this Act" in section 1903(f)(1)(B)(i) and inserting in lieu thereof "highest total amount which would ordinarily be paid under parts D and E of title IV to a family of the same size without income or resources, eligible in that State for money payments under part E of title IV of this Act";

(14)(A) by striking out "the 'highest amount which would ordinarily be paid' to such family under the State's plan approved under part A of title IV of this Act" in section 1903(f)(3) and inserting in lieu thereof "the 'highest total amount which would ordinarily be paid' to such family", and

(B) by striking out "section 408" in such section and inserting in lieu thereof "section 406";

(15) by striking out "I, X, XIV, or XVI, of part A" in section 1903(f)(4)(A) and inserting in lieu thereof "XVI or under an agreement under part E"; and

(16)(A) by striking out "aid or assistance under the State's plan approved under title I, X, XIV, or XVI, or part A of title VI, who are—" in the matter preceding clause (i) in section 1905(a) and inserting in lieu thereof "payments under part E of title IV or aid under a State plan approved under title XVI, who are—",

(B) by striking out clause (ii) of such section and inserting in lieu thereof the following:

"(ii) receiving assistance to needy families with children as defined in section 405(b), or payments pursuant to an agreement under part E of title IV,",

(C) by striking out clause (v) of such section and inserting in lieu thereof the following:

"(iv) severely disabled as defined by the Secretary in accordance with section 1602(b)(4)," and

(D) by striking out "or assistance" and "I, X, XIV, or" in clause (vi), and in the second sentence of such section.

TITLE IV—GENERAL

EFFECTIVE DATE

SEC. 401. The amendments and repeals made by this Act shall become effective, and section 9 of the Act of April 19, 1950 (25 U.S.C. 639), is repealed effective, on July 1, 1971; except that —

(1) in the case of any State a statute of which (on July 1, 1971) prevents it from making the supplementary payments provided for in part E of title IV of the Social Security Act, as amended by this Act, and the legislature of which does not meet in a regular session which closes after the enactment of this Act and on or before July 1, 1971, the amendments and repeals made

by this Act, and such repeal, shall become effective with respect to individuals in such State on the first July 1 which follows the close of the first regular session of the legislature of such State which closes after July 1, 1971, or (if earlier than such first July 1 after July 1, 1971) on the first day of the first calendar quarter following the date on which the State certifies it is no longer so prevented from making such payments; and

(2) in the case of any State a statute of which (on July 1, 1971) prevents it from complying with the requirements of section 1602 of the Social Security Act, as amended by this Act, and the legislature of which does not meet in a regular session which closes after the enactment of this Act and on or before July 1, 1971, the amendments made by title II of this Act shall become effective on the first July 1 which follows the close of the first regular session of the legislature of such State which closes after July 1, 1971, or (subject to paragraph (1) of this section) on the earlier date on which such State submits a plan meeting the requirements of such section 1602;

and except that section 436 of the Social Security Act, as amended by this Act, shall be effective upon the enactment of this Act.

SAVING PROVISION

SEC. 402. (a) The Secretary shall pay to any State which has a State plan approved under title XVI of the Social Security Act, as amended by this Act, and has in effect an agreement under part E of title IV of such Act, for each quarter beginning after June 30, 1971, and prior to July 1, 1973, in addition to the amount payable to such State under such title and such agreement, an amount equal to the excess of—

(1) (A) 70 per centum of the total of those payments for such quarter pursuant to such agreements which are required under sections 451 and 452 of the Social Security Act (as amended by this Act), plus (B) the non-Federal share of expenditures for such quarter required under title XVI of the Social Security Act (as amended by this Act) as aid to the aged, blind, and disabled (as defined in subsection (b)(1) of this section), over

(2) the non-Federal share of expenditures which would have been made during such quarter as aid or assistance under the plans of the State approved under titles I, IV (part (A)), X, XVI had they continued in effect (as defined in subsection (b)(2) of this section).

(b) For purposes of subsection (a)—

(1) the non-Federal share of expenditures for any quarter required under title XVI of the Social Security Act, referred to in clause (B) of subsection (a)(1), means the difference between (A) the total of the expenditures for such quarter under the plan approved under such title as aid to the aged, blind, and disabled which would have been included as aid to the aged, blind, or disabled under the plan approved under such title as in effect for June 1971 plus so much of the rest of such expenditures as is required (as determined by the Secretary) by reason of the amendments to such title made by this Act, and (B) the total amounts determined under section 1604 of the Social Security Act for such State with respect to such expenditures for such quarter; and

(2) the non-Federal share of expenditures which would have been made during any quarter under approved State plans, referred to in subsection (a)(2), means the difference between (A) the total of the expenditures which would have been made as aid or assistance (excluding emergency assistance specified in section 406(e)(1)(A) of the Social Security Act and foster care under section 408 thereof) for such quarter under the plans of such State approved under title I, IV (part A), X, XIV, and XVI of such Act and in effect in the month prior to the enactment of this Act if they had continued in effect during such quarter and if they had included (if they did not already do so) payments to dependent children of unemployed fathers authorized by section 407 of the Social Security Act (as in effect on the date of the enactment of this Act), and (B) the total of the amounts which would have been determined under sections 3, 403, 1003, 1403, and 1603, or under section 1118, of the Social Security Act for such State with respect to such expenditures for such quarter.

SPECIAL PROVISIONS FOR PUERTO RICO, THE VIRGIN ISLANDS, AND GUAM

SEC. 403. Section 1108 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(e)(1) In applying the provisions of sections 442(a) and (b), 443(b)(2), 1603(a)(1) and (b)(1), and 1604(1) with respect to Puerto Rico, the Virgin Islands, or Guam, the amounts to be used shall (instead of the $500, $300, and $1,500 in such section 442(a), the $500 and $300 in such section 442(b), the $30 in clauses (A) and (B) of such section 443(b)(2), the $1,500 in such section 1603(a)(1), the $110 in such section 1603(b)(1), and the $65 in section 1604(1)) bear the same ratio to such $500, $300, $1,500, $500, $300, $30, $1,500, $110, and $65 as the per capita incomes of Puerto Rico, the Virgin Islands, and Guam, respectively, bear to the per capita income of that one of the fifty States which has the lowest per capita income; except that in no case may the amounts so used exceed such $500, $300, $1,500, $500, $300, $30, $1,500, $110, and $65.

"(2)(A) The amounts to be used under such sections in Puerto Rico, the Virgin Islands, and Guam shall be promulgated by the Secretary between July 1 and September 30 of each even-numbered year, on the basis of the average per capita income of each State and of the United States for the most recent calendar year for which satisfactory data are available from the Department of Commerce. Such promulgation shall be effective for each of the two fiscal years in the period beginning July 1 next succeeding such promulgation.

"(B) The term 'United States', for purposes of subparagraph (A) only means the fifty States and the District of Columbia.

"(3) If the amounts which would otherwise be promulgated for any fiscal year for any of the three States referred to in paragraph (1) would be lower than the amounts promulgated for such State for the immediately preceding period, the amounts for such fiscal year shall be increased to the extent of the difference; and the amounts so increased shall be the amounts promulgated for such year."

MEANING OF SECRETARY AND FISCAL YEAR

SEC. 404. As used in this Act and in the amendments made by this Act, the term "Secretary" means, unless the context otherwise requires, the Secretary of Health, Education, and Welfare; and the term "fiscal year" means a period beginning with any July 1 and ending with the close of the following June 30.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. MILLS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 243, nays 155, not voting 32, as follows:

[Roll No. 83]

YEAS—243

Adams	Anderson, Ill.	Ashley
Addabbo	Andrews, N. Dak.	Ayres
Albert	Annunzio	Barrett
Anderson, Calif.	Arends	Beall, Md.
		Bell, Calif.
Berry	Gonzalez	Patten
Betts	Gray	Pelly
Biester	Green, Pa.	Pepper
Bingham	Gubser	Perkins
Blatnik	Gude	Pettis
Boggs	Halpern	Philbin
Boland	Hamilton	Pirnie
Bolling	Hanley	Podell
Bow	Hansen, Idaho	Poff
Brademas	Hansen, Wash.	Powell
Brasco	Harrington	Preyer, N.C.
Brock	Harvey	Price, Ill.
Broomfield	Hastings	Pryor, Ark.
Brotzman	Hathaway	Pucinski
Brown, Calif.	Hawkins	Quie
Brown, Mich.	Hechler, W. Va.	Railsback
Brown, Ohio	Helstoski	Rees
Burke, Mass.	Hicks	Reid, Ill.
Burlison, Mo.	Hogan	Reid, N.Y.
Burton, Calif.	Holifield	Reuss
Burton, Utah	Horton	Rhodes
Bush	Hosmer	Riegle
Button	Howard	Robison
Byrne, Pa.	Jacobs	Rodino
Byrnes, Wis.	Johnson, Calif.	Roe
Carey	Karth	Rogers, Colo.
Carter	Kastenmeier	Rooney, N.Y.
Cederberg	Kee	Rooney, Pa.
Celler	Keith	Rosenthal
Chamberlain	Kluczynski	Rostenkowski
Clausen, Don H.	Koch	Roybal
	Kuykendall	Ruppe
Clay	Kyros	Ryan
Cohelan	Langen	St Germain
Collier	Leggett	St. Onge
Conable	Lloyd	Sandman
Conte	Lowenstein	Saylor
Conyers	Lujan	Scheuer
Corbett	McCarthy	Schwengel
Corman	McClory	Sisk
Coughlin	McCloskey	Skubitz
Cowger	McCulloch	Smith, Iowa
Culver	McDade	Smith, N.Y.
Cunningham	McDonald, Mich.	Springer
Daddario	McFall	Stafford
Daniels, N.J.	Macdonald, Mass.	Staggers
Davis, Wis.	MacGregor	Stanton
de la Garza	Mailliard	Steed
Dellenback	Matsunaga	Steiger, Wis.
Dent	May	Stokes
Dingell	Mayne	Stratton
Donohue	Meeds	Symington
Dulski	Melcher	Taft
Dwyer	Meskill	Talcott
Eckhardt	Miller, Calif.	Thompson, N.J.
Edwards, Calif.	Miller, Ohio	Thomson, Wis.
Eilberg	Mills	Tiernan
Esch	Minish	Udall
Evans, Colo.	Mink	Van Deerlin
Fallon	Monagan	Vander Jagt
Farbstein	Moorhead	Vanik
Fascell	Morgan	Vigorito
Findley	Morse	Waldie
Fish	Morton	Wampler
Flood	Mosher	Weicker
Foley	Moss	Whalen
Ford, Gerald R.	Murphy, Ill.	Whitehurst
Ford, William D.	Murphy, N.Y.	Widnall
	Natcher	Wiggins
Fraser	Nedzi	Wilson, Bob
Frelinghuysen	Nelsen	Wilson, Charles H.
Friedel	Nix	
Fulton, Tenn.	Obey	Wolff
Galifianakis	O'Hara	Wydler
Gallagher	O'Konski	Yates
Garmatz	Olsen	Zablocki
Gaydos	O'Neill, Mass.	Zwach
Giaimo		
Gilbert		

NAYS—155

Abbitt	Chappell	Evins, Tenn.
Abernethy	Chisholm	Fisher
Adair	Clancy	Flowers
Alexander	Clark	Flynt
Anderson, Tenn.	Clawson, Del	Foreman
	Cleveland	Fountain
Andrews, Ala.	Collins	Frey
Ashbrook	Colmer	Fuqua
Aspinall	Cramer	Goldwater
Baring	Crane	Goodling
Belcher	Daniel, Va.	Green, Oreg.
Bennett	Davis, Ga.	Griffin
Bevill	Delaney	Gross
Biaggi	Denney	Hagan
Blackburn	Dennis	Haley
Blanton	Derwinski	Hall
Bray	Devine	Hammer-schmidt
Brinkley	Dickinson	
Brooks	Dorn	Harsha
Broyhill, N.C.	Dowdy	Hays
Buchanan	Downing	Hébert
Burke, Fla.	Duncan	Henderson
Burleson, Tex.	Edmondson	Hull
Caffery	Edwards, Ala.	Hungate
Camp	Edwards, La.	Hunt
Casey	Eshleman	Hutchinson

Ichord	Montgomery	Smith, Calif.
Jarman	Myers	Snyder
Johnson, Pa.	Nichols	Steiger, Ariz.
Jonas	O'Neal, Ga.	Stephens
Jones, Ala.	Passman	Stubblefield
Jones, N.C.	Pickle	Stuckey
Jones, Tenn.	Pike	Sullivan
Kazen	Poage	Taylor
King	Price, Tex.	Teague, Tex.
Kleppe	Purcell	Thompson, Ga.
Kyl	Quillen	Ullman
Landgrebe	Randall	Waggonner
Landrum	Rarick	Watkins
Latta	Roberts	Watson
Long, Md.	Rogers, Fla.	Watts
McClure	Roth	Whalley
McEwen	Roudebush	Whitten
McKneally	Ruth	Williams
Mahon	Satterfield	Winn
Mann	Schadeberg	Wold
Marsh	Scherle	Wright
Martin	Scott	Wyman
Mathias	Sebelius	Yatron
Michel	Shipley	Young
Minshall	Shriver	Zion
Mize	Sikes	
Mizell	Slack	

NOT VOTING—32

Broyhill, Va.	Hanna	Patman
Cabell	Heckler, Mass.	Pollock
Dawson	Kirwan	Reifel
Diggs	Lennon	Rivers
Erlenborn	Long, La.	Schneebeli
Feighan	Lukens	Teague, Calif.
Fulton, Pa.	McMillan	Tunney
Gettys	Madden	White
Gibbons	Mikva	Wyatt
Griffiths	Mollohan	Wylie
Grover	Ottinger	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. White for, with Mr. Lennon against.

Mr. Madden for, with Mr. Grover against.

Mr. Mikva for, with Mr. Long of Louisiana against.

Mr. Broyhill of Virginia for, with Mr. McMillan against.

Mr. Hanna for, with Mr. Rivers against.

Mr. Schneebeli for, with Mr. Gettys against.

Until further notice:

Mr. Feighan with Mr. Erlenborn.

Mr. Ottinger with Mr. Dawson.

Mr. Mollohan with Mr. Fulton of Pennsylvania.

Mr. Cabell with Mr. Lukens.

Mr. Tunney with Mrs. Heckler of Massachusetts.

Mrs. Griffiths with Mr. Pollock.

Mr. Kirwan with Mr. Diggs.

Mr. Gibbons with Mr. Reifel.

Mr. Patman with Mr. Teague of California.

Mr. Wyatt with Mr. Wylie.

Mr. MILLER of Ohio changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

LEGISLATIVE PROGRAM FOR THE WEEK OF APRIL 20, 1970

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

Mr. GERALD R. FORD. Mr. Speaker, I take this time for the purpose of asking the distinguished majority whip the program for the remainder of the week, if any, and the schedule for next.

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

Mr. GERALD R. FORD. I yield to the gentleman from Louisiana.

Mr. BOGGS. Mr. Speaker, in response to the request of the distinguished minority leader, it is my intention to ask that when the House adjourns today, that it adjourn to meet on Monday next. In fact, I now so request. I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

Mr. GROSS. Mr. Speaker, I suggest that the gentleman withhold that request until we hear the program.

Mr. BOGGS. I shall be happy to do so. The program is as follows:

On Monday we will have the Consent Calendar.

There are six suspensions, as follows:

H.R. 10666. To establish a National Commission on Libraries and Information Science;

H.R. 780. To authorize the Merlin Division Rogue River Basin project, Oregon;

H.R. 9854. To authorize the East Greenacres unit, Rathdrum Prairie project, Idaho;

H. R. 4172. To authorize additional assistance for the Ice Age National Scientific Reserve, Wis.

H.J. Res. 1069. Extend the authority for the erection of a memorial to Mary McLeod Bethune; and

S. 1968. To authorize the removal of the Francis Asbury statue.

Tuesday and Wednesday are religious holidays. There is no program, although the Private Calendar will be called on Tuesday.

Thursday and the balance of the week we have the following:

H.R. 16516. National Aeronautics and Space Administration Authorization Act, 1971, with an open rule and 2 hours of debate; and

H.R. 14385. To provide authority for subsidized transportation for Public Health Service employees to Rockville, Md., with an open rule and 1 hour of debate.

Conference reports may be brought up at any time.

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

Mr. GERALD R. FORD. I yield to the gentleman from Iowa.

Mr. GROSS. On the basis of that program, I would think that perhaps we ought to give consideration to turning back some of our paycheck.

Mr. BOGGS. The gentleman is at liberty to do so.

ADJOURNMENT OVER TO MONDAY, APRIL 20, 1970

Mr. BOGGS. Mr. Speaker, I ask unanimous consent that when the House adjourns today that it adjourn to meet on Monday next.

The SPEAKER pro tempore (Mr. PRICE of Illinois). Is there objection to the request of the gentleman from Louisiana?

There was no objection.

THE POST OFFICE DEPARTMENT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 91-313)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, without objection, referred to the Committee on Post Office and Civil Service and ordered to be printed:

To the Congress of the United States:

My message of April 3 outlined the preliminary agreement that the Government reached with its postal employees after the end of the recent postal work stoppage.

In that agreement, the Post Office Department and the postal employee organizations affiliated with the AFL–CIO undertook to negotiate and jointly sponsor a postal reorganization and pay bill to be recommended to the Congress as a measure that could ultimately lead to a cure of the problems that have been festering for years in the postal system.

The negotiations went forward in an atmosphere of good will and good faith on both sides, and they have now culminated in agreement on a legislative proposal that would:

—Convert the Post Office Department into an independent establishment in the Executive Branch of the Government, freed from direct political pressures and endowed with the means of building a truly superior mail service.

—Provide a framework within which postal employees in all parts of the country can bargain collectively with postal management over pay and working conditions.

—Increase the pay of postal employees by 8%, over and above the Government-wide increase of 6%, and shorten the time required to reach the top pay step for most postal jobs.

I support the proposed legislation that has been agreed to in the negotiations between the Post Office Department and the postal unions, and in transmitting it to the Congress I urge that it be given prompt and favorable consideration.

The Secretary of Treasury is sending to the Congress shortly the detailed legislative proposals necessary to accelerate the collection of estate and gift taxes which will pay for the 6% government-wide pay raise.

I. THE UNITED STATES POSTAL SERVICE

The negotiators quickly agreed that the structure of the Nation's Postal Establishment should be one that would permit the postal system to operate on an independent, self-contained basis. This means that for the first time in generations, the Post Office would be run by people whose authority would be commensurate with their responsibilities; it means that the Post Office would carry its own burden and not be a burden to the taxpayer; and it means that the Post Office would serve the public interest of all Americans and not the political interest of any individual or group of individuals.

Fourteen months ago, I pledged that this Administration would do its best to end the system of political patronage that has plagued the Post Office for the better part of the past two centuries. We have kept that promise. Looking to the future, however, I believe that only basic changes in the system can provide permanent insurance against a rebirth of partisan politics in the Post Office.

The proposed legislation that the

postal negotiators have agreed upon, and that I now endorse, would build a permanent firewall between postal affairs and political patronage.

I propose that the Post Office Department be reorganized as an independent establishment known as "The United States Postal Service." The new establishment would be organized in a way designed to make it at least as free from partisan political pressure as are such presently existing independent establishments as the Board of Governors of the Federal Reserve System, the Securities and Exchange Commission, and the National Aeronautics and Space Administration.

The Postmaster General would no longer be a member of the Cabinet, under this proposal, and the Postal Service would be insulated from direct control by the President, the Bureau of the Budget and the Congress.

Instead of being appointed directly by the President, the Postmaster General would be selected by nine public members of a bipartisan Commission on Postal Costs and Revenues. These nine Commissioners—not more than five of whom could be from the same political party—would serve nine-year statutory terms, under appointment by the President with the advice and consent of the Senate. The Postmaster General, who would hold office at the pleasure of the Commissioners, would be vested with full authority to manage the day-to-day operations of the Postal Service.

The legislation would provide the new Postal Service with the means of achieving:

—Continuity of top management, with the tenure of the Postmaster General based on performance and not on politics.

—Appropriate control over postal rates, with a Postal Rate Board holding full and fair hearings on rate changes proposed by the Postmaster General, and with either House of Congress being empowered to veto proposed rate changes by a two-thirds vote.

—A self-supporting postal system.

—A workable method of raising necessary funds by borrowing from the Treasury Department or from the general public.

—Collective bargaining over wages, hours and, in general, all working conditions that are subject to collective bargaining in the private sector.

A proposal for massive reorganization of a Government organization as important as the Post Office Department should, obviously, receive careful study before it is adopted. Fortunately, the question of postal reform has been receiving intensive scrutiny, both in Congress and in the country at large, ever since my basic postal reform proposal was sent to the Congress last May. During that time the need for fundamental reform of the postal system has come to be almost universally recognized, and I suggest that further delay in starting on the road toward postal excellence would be indefensible.

II. POSTAL EMPLOYEE-MANAGEMENT RELATIONS

The negotiators have agreed that there should be a statutory framework for collective bargaining in the postal establishment resembling that of private industry.

The people of this nation cannot and will not submit to the coercion of strikes by employees of the Federal Government. Since strikes by employees of the new Postal Service must be prohibited, a workable alternative to strikes must be provided—an absolutely impartial means of resolving differences between postal management and postal employees without the public being subjected to interruptions in the postal service. That is what the proposed legislation agreed upon by the postal negotiators provides.

I propose that the new United States Postal Service be empowered to engage in collective bargaining with recognized employee organizations over wages, hours, and working conditions generally, with negotiating impasses being finally resolved, if necessary, by binding arbitration.

Determination of national collective bargaining units, recognition of collective bargaining representatives and adjudication of unfair labor practice charges would be handled by the National Labor Relations Board under procedures similar to those that have long been followed in the private sector.

In addition to wages and hours, matters that are subject to collective bargaining would include such things as grievance procedures, final and binding arbitration of disputes, seniority rights, holidays and vacations, life insurance, medical insurance, training and promotion procedures. Employee benefits enjoyed today would be carried forward, and, in the case of rank and file postal employees, any change in such benefits would be subject to the collective bargaining process.

Negotiations over new labor agreements would be expected to begin ninety days before the expiration of existing agreements. There would be a statutory guarantee of final and binding third party arbitration to resolve negotiating impasses after a ninety day cooling-off period, during which time an outside fact-finding panel would try to assist the parties in reaching agreement. Opportunities for mediation and conciliation would also be provided.

All postal employees would retain their full benefits under the Civil Service retirement system and under the existing Federal workmen's compensation laws. The provisions of the Veterans Preference Act would apply, as would the provisions of Title VI of the Civil Rights Act of 1964. The labor standards provisions to which Government contracts generally are made subject would be applicable to contracts entered into by the new Postal Service to the same extent as elsewhere in the Government.

Finally, the right of every postal employee to petition Congress would be expressly preserved by statute.

III. POSTAL PAY

In many parts of the country—particularly in our great urban areas—the pay of postal employees has lagged seriously behind the pay received for comparable work by employees in private industry. The general 6% increase has alleviated that problem for most employees of the Federal Government, but it fails to take into account two important considerations that are unique to the Postal Service:

—The need to offset the limited opportunities for job advancement that most postal workers have traditionally faced.

—The need to allow postal workers to share the benefits of the increases in efficiency and productivity that should be attainable under a properly reorganized postal system.

These factors played an important part in the thinking of the postal negotiators during their discussions on the pay question.

I propose an additional pay increase of 8% for postal employees, effective immediately upon enactment of the reorganization law, with prompt collective bargaining over pay schedules under which the time required for rank and file postal employees to reach the top pay step in their respective labor grades would be compressed to not more than eight years.

IV. POSTAL RATES

As the new Postal Service will be self-contained, so should it be self-supporting; as it will be non-profit, so should it be non-loss.

If the pay increases that the postal negotiators have agreed to recommend are put into effect promptly, and if postal rates were to remain where they are today, postal expenditures would exceed postal income in 1971 by approximately two and one-half billion dollars.

A postal deficit of this magnitude would be indefensible at any time; during a period when inflation is threatening the economic well-being of every American family, such a deficit would be totally irresponsible.

Less than 2 weeks ago I proposed a plan for raising first, second, and third class postage rates to a level that would bring postal income fully into balance with anticipated postal expenditures. This plan included a proposal for increasing the price of the first class stamp to ten cents. Understandably, the proposed increase met with limited enthusiasm, and I am not insensitive to the widespread concern that this proposal evoked. Nevertheless, the need for the additional revenue exists, and the proposal highlighted the true cost to the user of our mail service.

In the course of negotiations, the parties considered an alternative proposal that would provide a transitional rate policy designed to cushion the immediate effect of the application of the principle of pay-as-you-go on the users of the mail. The alternative approach, to be incorporated in the reorganization bill, would require the general taxpayer to pay 10% of the total cost of the new postal service in the first year. The percentage of taxpayer support would decline each year until the end of 1977, when the mails would be completely self-supporting except for continuing appropriations to reimburse the Postal Service for revenue lost on mail carried for nonprofit organizations and other groups entitled by law to use the mail free or at specially reduced rates.

Though the goal would be delayed, acceptance of the principle of a true pay-as-you-go postal service—even in stages—is a fundamental breakthrough.

I would prefer an immediate end to general subsidization of the taxpayer; but, since the principles of pay-as-you-go and postal reform are of basic importance, I am ready to accept this gradual but steady approach to that goal.

I would also prefer the method of raising most of the needed new revenues from the business organizations that are the principal users of first class mail. Again, however, I consider the principles of pay-as-you-go and postal reform to be overriding, and I am willing to make adjustments in my original proposals so as to raise more revenues from other classes of mail.

In the interest of making realistic progress toward the objective of bringing postal expenditures into balance with postal revenues, I now propose to

—*Increase the price of the first class stamp by one-third, from six cents to eight cents.*

—*Keep the price of the air mail stamp at ten cents.*

—*Increase the average second class postage rate by one-half.*

—*Increase third class bulk and single piece rates by one-third (the same percentage increase as first class).*

These rate increases would generate additional revenues of more than $1.5 billion—enough, with the temporary 10% contribution by the Federal taxpayer, to put the new, independent United States Postal Service on the road to a sound, pay-as-you-go operation.

V. TOWARD POSTAL EXCELLENCE

Mail users, postal employees and the nation as a whole have gone through a long ordeal in reaching the threshold of basic postal reform—but we have come a long way.

The Congress is now presented with an opportunity to pass legislation that will bring a new measure of fairness to postal employees, a new efficiency to the system itself, and long overdue equity to the taxpayer.

Neither better pay nor better organization will, in and of itself, guarantee better mail service.

Laws do not move the mail, nor do dollars. What moves the mail is people—people who have the will to excel, the will to do their work to the very best of their ability.

The United States is fortunate to have such people in its postal system today. As the Postmaster General has urged, these people must be retained; in the years ahead, more like them must be recruited. This legislation would represent an important step toward that end.

Enactment of the legislation that I now propose would give our postal employees the means to attain a goal they have never before had the means of attaining—the goal of building, in America, the best postal system in the world.

That is a goal worth striving for. With this postal reform legislation, it is a goal that can be achieved. I hope the Congress will lose no time in enacting the laws that are needed to let our postal people get on with the job.

RICHARD NIXON.

THE WHITE HOUSE, *April 16, 1970.*

POSTAL REFORM

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

Mr. DULSKI. Mr. Speaker, I am introducing today the new compromise postal reform measure made public earlier by the White House. I feel it is essential that the proposal be available for study and consideration by every Member.

I intend to begin brief public hearings next Wednesday, April 22, with the Postmaster General as the first witness.

Mr. Speaker, the postal reform compromise submitted to the Congress today is a long stride in the right direction of achieving my quest for realistic postal reform.

The bill runs 157 pages and I have had a chance only to glance at the details. However, it seems to cover most of the fundamental policy issues which I outlined in my own postal reform bill, H.R. 4, a year ago last January.

As chairman of the House Committee on Post Office and Civil Service, I intend to expedite consideration of this revised proposal as requested by the President.

With the full cooperation of the members of my committee, we can deal promptly with this complex matter on which we have had extensive hearings and executive sessions. However, it is vital that we move responsibly and not with undue haste.

I am particularly pleased that the plan proposes to keep the postal service as an agency of the Government, rather than converting it into a public corporation.

My urgent desire is to accomplish practical and functional postal reform at the earliest possible time.

PRESIDENT'S MESSAGE ON POSTAL REFORM

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

Mr. CUNNINGHAM. Mr. Speaker, I have read the President's message on postal reform and the salary bill. The bill itself is a very lengthy document, but, in my opinion and in the opinion of many Members, it is one of the most outstanding agreements that has even been negotiated between the Government and the seven exclusive postal unions.

The bill was introduced today by at least 20 Members, but I want the Members to know that the bill does not embody the postal rate increases mentioned in the message. The postal rate bill will be introduced shortly as a separate piece of legislation.

But I do want to compliment the President and the Postmaster General and the seven exclusive postal unions for this outstanding document and agreement.

I hope we will have speedy action on this legislation in the House. I was delighted to hear the chairman of our Post Office and Civil Service Committee this afternoon, when we had a briefing on this matter, say that he was anxious to expedite this at the earliest possible opportunity, so that we could have true postal reform, improvement in the working conditions for the employees and the additional increase of 8 percent in wages as well as the compression of postal workers' in-grade salary increases very soon. This latter provision provides that instead of starting at a beginning salary in level 4 and taking 21 years to reach the top, the compression will provide that the postal workers will start at the beginning salary and reach the top in 8 years.

I compliment all those involved, including the union leaders, the Postmaster General and his assistants, and the President of the United States.

FINANCIAL DISCLOSURE—THE CASE FOR A MORE COMPREHENSIVE LAW ON THE REPORTING OF INCOME AND ASSETS BY MEMBERS OF THE HOUSE OF REPRESENTATIVES

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

Mr. UDALL. Mr. Speaker, during the 90th Congress I cosponsored and helped obtain passage of the resolutions which created the House Committee on Standards of Official Conduct. I applaud the work of this committee and especially the fine performance of its chairman, the distinguished gentleman from Illinois (Mr. PRICE). The time now approaches when we Members are required to file with the committee the second annual financial disclosure report. In connection with the filing of my report I wish to make some additional disclosures which are not required and to record my own observations and recommendations on this general subject.

We hear much cynical comment these days about our political institutions, the corrupt nature of "the establishment" and the like. These observations disturb me. After all, our democracy rests, in the final analysis, on the confidence which the average citizen has in the judgment, the character, the fairness, and the honesty of those who make, enforce, and interpret the laws of the land. As far as legislators are concerned, I am convinced that maintenance of that confidence is possible only through meaningful, regular, and rather complete disclosure of the financial interests of those who serve in the Congress—their total income, all of their business ties, and the like.

Passage of House Resolution 1099, 2 years ago, was a landmark, meaningful step. It was a significant beginning in the effort to maintain or, in the eyes of some Americans, restore public confidence in this institution which is at the very center of our political system. In addition, the Committee on Standards of Official Conduct has recently reported House Resolution 796, which would amend the financial disclosure rule by

providing for the disclosing of the sources of honorariums of $300 or more and the identifying of creditors to whom $10,000 or more was owed for 90 days or longer without the pledge of specific security.

These changes are welcome, but they do not go far enough. My colleague, CHARLES BENNETT, of Florida, has proposed a broadening of the disclosure rule to include all income and all assets and liabilities of Members and employees. I believe such an extension is needed.

In the meantime, there is something which those of us who support complete disclosure can do to assist in the effort. Even before House rule XLIV was passed, many in the House voluntarily made disclosures of their financial affairs, and I think this experience and example played an important role in the action taken by the House in 1968. I have made such disclosures on two occasions myself. On April 10, 1963—CONGRESSIONAL RECORD, volume 109, part 5, page 6199, I made a general disclosure of my financial position. Again in the CONGRESSIONAL RECORD, volume 113, part 1, page 77, I brought my record of holdings and outside activities up to date. One of the advantages of periodic and continuing disclosure of this kind is that it permits the public to compare a Member's holdings and financial position at different points in his career and to make a judgment as to whether he has advanced his personal fortune while serving the public.

Today, I am once again making public an updated statement of my assets and business interests, as well as a description of the kinds of outside income I had during 1969. I might add that this information will provide little comfort to my creditors or prospective heirs, for the sad fact is that my net worth today is about the same as it was the day I began my service here. But it may do something to assure my constituents that one whose salary is paid by the public has devoted most of his time to the public's business and not his own.

My disclosure may serve another purpose as well. The disclosure sheet I am filing with the Committee on Standards of Official Conduct is in two parts, A and B. Part A of my report—the only part which can be seen by the public—is highly misleading. One reading it could discover only one minor fact about my private interests and dealings; namely, that I own stock exceeding $5,000 in value in Catalina Savings & Loan Association of Tucson, Ariz. That's all.

A reading of my financial statement below will reveal how inadequate is the present disclosure rule. The actual value of my Catalina Savings stock is not $5,000; it is $32,000. And, as far as the public is concerned, it could just as easily be $50,000 or $5,000,000. I should add that the proposed amendments incorporated in House Resolution 796, desirable as they are, also can lead to a confused picture. The specific dollar amount of an honorarium or of a debt qualifying for inclusion in part A will remain a mystery to the public; it need only be disclosed in the sealed portion—part B—of the report. And I submit, for example, that a debt of $1,000,000 can carry with it a greater potential for conflict of interest than one of $10,000.

None of my other holdings or outside income need be reported because they are either below $5,000 in value or fail to qualify under the limitations set forth in the rule. In order to show the shortcomings of the present rule I will insert part A of my official statement along with my complete disclosure below, and readers may decide for themselves whether the impression left by part A is essentially the same as that left by its unabridged counterpart. Nothing in my judgment could provide a stronger argument for a more complete disclosure rule.

As I have said on previous occasions, it is not a particularly pleasant thing to bare one's private finances to public view. I do it, however, because I believe the people I represent are entitled to know of any conflicts of interest which may exist with respect to my duties as their Congressman. It is a great honor to serve in the parliament of the world's greatest nation and I cheerfully bear this additional burden.

While I am making this disclosure, I think I should refer also to one other matter. That is the thorny, difficult, and perplexing problem of skyrocketing campaign costs, something which all of us who seek public office have to contend with. In the last two elections most of my campaign funds have been raised by a testimonial dinner sponsored by a committee of my friends in Arizona. A third such function was held in January of this year. I regret the need for these rituals and have written and spoken on this subject on many occasions. For some concrete proposals on what might be done to improve this situation I refer my colleagues to an article which I wrote appearing in the CONGRESSIONAL RECORD, volume 113, part 21, page 28968.

The funds from each of the testimonial dinners held in my behalf are placed in the control of a committee which makes disbursements from time to time, either for transfer to a campaign account or for payment of noncampaign expenses such as the printing of newsletters and the recording and filming of radio and television reports to my constituents. None of the funds are ever made available for my personal use, and none are under my direct control. My colleagues may be interested in earlier remarks I made regarding my policy in dealing with this difficult problem. They will be found in the CONGRESSIONAL RECORD, volume 114, part 10, page 12711. Funds from my 1970 dinner will be handled in the same manner, and once again I have asked the dinner committee to make its record of disbursements available to responsible members of the press. This is an unusual step, I know, but one which I take in the interest of full and complete public disclosure.

Part A of my official statement of financial interests and associations follows. I will also insert my own complete statement for comparison:

STATEMENT OF FINANCIAL INTERESTS AND ASSOCIATIONS AS OF DATE OF FILING AND CERTAIN INCOME FOR CALENDAR YEAR 1969, U.S. HOUSE OF REPRESENTATIVES

(Member's name: Morris K. Udall, 2nd District, Arizona.)

Part A: (See instructions and text of House Rule XLIV on reverse side).

The interest of a spouse or any other party, if constructively controlled by the person reporting, shall be considered to be the same as the interest of the person reporting.

1. List the name, instrument of ownership, and any position of management held in any business entity doing a substantial business with the Federal Government or subject to Federal regulatory agencies in which the ownership is in excess of $5,000 fair market value as of the date of filing, or from which income of $1,000 or more was derived during the preceding calendar year. Do not list any time or demand deposit in a financial institution or any debt instrument having a fixed yield unless it is convertible to an equity instrument.

Business Entity: Catalina Savings and Loan Association.

Instrument of Ownership: Stock Certificates.

Position of Management: None.

2. List the name, address and type of practice of any professional organization in which the person reporting, or his spouse, is an officer, director, or partner, or serves in any advisory capacity, from which income of $1,000 or more was derived during the preceding calendar year.

None.

3. List the source of each of the following items received during the preceding calendar year:

(a) Any income from a single source for services rendered (other than from the U.S. Government) exceeding $5,000 and not reported in section 2 above.

None.

(b) Any capital gain from a single source exceeding $5,000, other than from the sale of a residence occupied by the person reporting. (As reportable to IRS.)

None.

(c) Reimbursement for expenditures (other than from the U.S. Government) exceeding $1,000 in each instance.

None.

Date of filing: April 15, 1970.

Signature of Declarer:

MORRIS K. UDALL.

Campaign moneys are not to be taken into account in this report.

DISCLOSURE STATEMENT OF REPRESENTATIVE MORRIS K. UDALL

(All information is as of April 1, 1970, except as otherwise stated.)

My profession is the law. However, I withdrew from my law firm in 1961 and have not been a member of my law firm or actively practiced since coming to Congress. In the late 1950s I helped organize and served for some time as an officer and director of Catalina Savings and Loan Association and the Bank of Tucson (now the Great Western Bank), both of Tucson, Arizona. While I still retain stock interests in both of these institutions, in the amounts indicated below, I no longer serve them in any capacity. I hold minor stock interests in two other Arizona financial institutions—Security Savings and Loan Association, and the United Bank of Arizona. With these exceptions I hold no financial interest, directorship or office in any corporation or business which may be subject to Federal regulation or which may have contractual dealings with the Federal government.

During 1969 my congressional salary represented more than 80 per cent of my income. The remainder came from royalties on my law book (West Publishing Company, $400), three author's fees (principally from the Reader's Digest, $1,250), dividends, capital gains and interest on the investments listed below (about $800), and a few other small and miscellaneous items. During 1969 I received about a dozen honoraria totaling perhaps $4,500 for various speeches and addresses. The honoraria varied from as little as $50 to two of $1,000. They covered appearances at colleges including Yale, Harvard, Washington State University, Williams College and Edinboro State College, at public forums such as the Sunday Evening Forum in Tucson, and at public events such as a dinner of the Ft. Wayne Press Club and meetings of business and trade organizations.

I hold stock in various companies as follows. Each is listed with the approximate current value of the stock I hold:

Great Western Bank	$1,100
Catalina Savings & Loan Association	32,000
Security Savings & Loan Association	1,100
Phoenix Gems, Inc	150
Modern Pioneers Insurance Co	250
United Bank of Arizona	750
Tucson Gas & Electric Co	1,800
Fidelity Trend Fund	1,200
Massachusetts Investment Growth Fund	1,500
Cessna Aircraft Co	800
Total	40,650

In addition, I have a residual, partial interest from my old law firm of some shares in Sovereign Resources, Inc. My interest may be worth perhaps $4,000.

In the field of real estate, my wife and I own a home in McLean, Virginia, purchased in 1968. It has an approximate value of $50,000 and is subject to a mortgage with the Washington and Lee Savings and Loan Association of about $37,000. I own a one-fourth interest in an unimproved 100-acre tract near Front Royal, Virginia; my equity is worth perhaps $5,000. During the 1950s I invested in eight parcels of vacant, unimproved land in and near Tucson. One piece I own outright, and in the others I have fractional interests with former law partners and certain relatives. Some tracts have mortgages against them, others are clear. With my sister I own 40 unimproved acres in Apache County, Arizona. My total equity in all of these lands at present prices would run about $70,000.

My wife and I own a 1965 Mustang and a 1967 Ford, together with miscellaneous personal property and home furnishings having a total value of perhaps $8,000. I own a 1966 Piper Cherokee airplane which is worth about $12,000 and has a mortgage against it of approximately $3,000. In addition to these items I have cash, savings accounts and the like worth perhaps $12,000.

I carry several life insurance policies, including a $10,000 National Service Life Insurance policy and the $45,000 group life policy available to Members of Congress. Cash surrender values on my insurance policies would not exceed $5,500. I participate in the Civil Service Retirement System as it applies to Members and have paid in the regular contributions so that my account now totals approximately $19,000.

My wife owns 200 shares of Plastics Development, Inc., worth perhaps $400, and has savings, personal property and assets valued at something under $10,000.

I hereby declare that the foregoing is a full and complete summary of my income, assets and financial position as of April 1, 1970.

TECHNOLOGY

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

Mr. DADDARIO. Mr. Speaker, probably the greatest single force for both good and evil which is abroad in the land today is technology. In large part the destiny of the human race depends on what use we choose to make of science and its handmaiden, technology. This is not just an isolated opinion. It is shared by an overwhelming majority of the most thoughtful and best educated people in this Nation.

The problem does not lie in the intrinsic nature of technology, however. Never was the old adage more applicable: "nothing is ever good or bad, but thinking makes it so." Technology is simply the ability to apply knowledge. Its worth depends on how men handle it.

There is scarcely a major existing ill which cannot in some manner be traced to technological application—nor is there one whose solution does not lie, at least in part, with better managed and better used technology.

The most glaring example at the moment is environment. But the effects and uses of technology go far beyond environment. They apply also to the great economic, social, moral, legal, and political issues of our time. Until we learn really to understand technology—how and when to apply it; how and when not to apply it—we shall never overcome the many, complex difficulties that beset us.

Money and good intentions alone will never do the job. That is like trying to complete a triangle with only 2 points from which to work. There has to be a third; the third is improved scientific research—physical and social—and the proper application of its results.

Mr. Speaker, it is for these reasons that the gentleman from Ohio (Mr. MOSHER), and I are today introducing a bill entitled "The Technology Assessment Act of 1970."

The sole purpose of this bill is to equip the Congress with a new office—a new legislative arm, if you will—whose chief responsibility will be to aid the Congress in dealing rapidly with the myriad technological issues approaching it, to help solve the problems they bring and seize the opportunities they offer.

The Subcommittee on Science, Research, and Development, which I chair, and on which the gentleman from Ohio is a ranking member, has been working on the concept of technology assessment for 5 years. We view this bill as being among the most important long-range pieces of legislation to be introduced in modern times—believing, as we do, that it is essential to provide the Congress with a new and continuing capability for evaluating technology and its uses.

At this juncture let me elaborate briefly on what we mean by technology assessment. In somewhat oversimplified terms it may be defined as follows: Technology assessment is the evaluation of the impact of existing, new and developing technologies upon society—physically, socially, economically, and politically; it undertakes to assess both the desirable and undesirable consequences of such technology and to establish cause and effect relationships where possible. In other words, technology assessment is designed to give us better mechanisms for anticipating short- and long-range potentials of technology—good and bad.

We suggest, Mr. Speaker, that it is high time the Congress look inward upon itself and evaluate its present ability to achieve information and communicate with the real world in real time. Not in 170 years since the Library of Congress was founded has the Congress created a significant new entity to help provide it with up-to-date information—other than the fiscal data provided by GAO—and no basic innovations toward this purpose have been made in the Library since the founding of the Legislative Reference Service in 1915.

That is more than half a century ago. Our current need for better information and the ability to apply it well and expeditiously in these crucial years is critical.

Mr. Speaker, this bill is the first point of culmination since our subcommittee began work on the assessment concept in 1965.

From that time a great deal of effort has been expended on behalf of technology assessment. Our own subcommittee has discussed and debated the idea with all sorts of people in all parts of the country. We have held seminars with the social scientists and blue-sky thinkers. Three major contracted studies on technology assessment have been completed and a fourth is in progress.

One of these, done in the Library of Congress, reviewed the history of congressional handling of technological matters and showed conclusively the need for improved assessment mechanisms. A second, done by the National Academy of Sciences, investigated the concept itself and suggested means for getting the job underway. A third, done by the National Academy of Engineering, experimented with assessment methods on three different subjects.

The fourth, which will be ready in June, is being undertaken for us by the young National Academy of Public Administration. It is attempting to identify specific administrative methods and organizational groups through which much more thorough and advanced assessments might be made in the executive branch of the Government.

Meanwhile, our subcommittee, last November and December, held the first set of full-dress hearings on technology assessment—with emphasis on the legislative function. These must be classified as among the best and most productive hearings within my experience. They have led directly to the drafting of the legislation we are introducing today.

And, at this point, Mr. Speaker, let me pay special tribute to the gentleman from Ohio (Mr. MOSHER), whose perception and constancy have been indispensable to the progress which has been made in this field.

Mr. Speaker, I should like to describe briefly the nature of the Technology Assessment Act of 1970.

Section 1 stipulates the title of the act.

Section 2 sets forth the rationale for the bill, describing the major contemporary issues as they relate to technology and enunciating the need of the Congress for new informational mechanisms

to help in the evaluation of the impact of current and future technology.

Section 3 establishes an Office of Technology Assessment within and responsible to the legislative branch of the Government. The office is to consist of a technology assessment board which formulates policy and a director to carry out such policies and administer operations of the office. Fundamental duties of the office will be as follows:

First. Identify existing or probable impacts of technology or technological programs;

Second. Where possible establish cause and effect relationships;

Third. Determine alternative technological methods of implementing specific programs;

Fourth. Determine alternative programs for achieving requisite goals;

Fifth. Make estimates and comparisons of the impacts of alternative methods and programs;

Sixth. Present findings of completed analyses to the appropriate legislative authorities;

Seventh. Identify areas where additional research or data collection are required to provide adequate support for the assessments and estimates mentioned; and

Eighth. Undertake such additional associated tasks as the appropriate authorities may direct.

Assessments may be inaugurated by the chairman of any congressional committee, the board or the director.

Provision is made for the utilization of special ad hoc groups outside the Govment to make assessments.

Section 4 describes the nature of the board which will be composed of 13 members as follows: two Senators, two Representatives, the Comptroller General, the Director of the Legislative Reference Service of the Library of Congress, and seven members from the public appointed by the President.

The board will elect its own chairman and vice chairman from among the seven public members and will meet not less than twice each year. It will also meet at the call of the chair or upon the petition of five or more board members.

Section 5 establishes the directorship of the Office of Technology Assessment. The Director is to be appointed by the board to serve a term of 6 years at a pay level equal to level 2 in the executive branch. The Director is authorized to choose his own deputy with the approval of the board.

Section 6 enumerates the specific authority of the office which is necessary to carry out the provisions of the act, including the promulgation of rules and regulations, the use of contracts, hiring of personnel, and so forth.

The office itself is prohibited from operating any laboratories, pilot plants or test facilities.

The office is given power to act and sit at such places as may be necessary and is provided the powers of subpena. Safeguards are included to protect privileged or proprietary data.

Section 7 provides for special utilization of the Legislative Reference Service of the Library of Congress in gathering information and in maintaining monitoring systems to indicate important areas requiring technology assessment. Authority is given to the librarian to set up such new divisions or units within LRS as may be necessary to help the Office of Technology Assessment in its functions.

Section 8 provides for specific coordination and liaison with the National Science Foundation, this being the only executive agency which presently has active programs designed to do research into technology assessment techniques. It also amends the National Science Foundation Act of 1950 to permit the foundation to undertake special activities on behalf of the Office of Technology Assessment upon the request of its director.

Section 9 provides for an annual report to be submitted to the Congress.

Section 10 gives to the General Accounting Office the obligation and duties of providing financing and administrative services to the Office of Technology Assessment. The section also stipulates that reimbursement shall be made for these services to the General Accounting Office in accordance with such agreements as may be reached between the Comptroller General and the Technology Assessment Board.

Section 11 authorizes $5 million for the initial establishment of the Office of Technology Assessment for the fiscal year ending June 30, 1971, and thereafter such sums as may be necessary.

In conclusion, it is important to understand that the Office of Technology Assessment would not itself be a large operational unit. But it would know how and where to go to get assessments done; it could put together ad hoc task forces for this purpose, and it would have money to pay for them. Equally important—the results of any assessment would simply be an added informational input to aid in the legislative process. It would in no way supplant the hearing procedure or the adversary proceeding, nor would it come in terms of fixed recommendations to the Congress.

CONDUCT OF JUSTICE DOUGLAS

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

Mr. SCOTT. Mr. Speaker, as mentioned by the gentleman from New Hampshire, a bipartisan group of approximately 100 Members is today filing a resolution to establish a select committee to investigate recent activities of Mr. Justice William O. Douglas and to recommend to the House whether or not he should be impeached. The sponsors are diversified by geography, philosophy, and party affiliation.

This resolution is based, in part, upon news accounts of improper behavior by Justice Douglas. The Library of Congress sent me a compilation of recent criticism of his activities by the news media and a staff member prepared a digest of the articles. The digest is inserted at this point:

CRITICISMS OF JUSTICE DOUGLAS

CHICAGO TRIBUNE, August 25, 1969.—Douglas accepted $12,765 per year for seven years as President of the Parvin Foundation, which received most of its income from Las Vegas gambling operations. He contributed to a magazine specializing in pornography. Since January 1, 1968 he has received $4000 on a $500 per diem basis from the Center for the Study of Democratic Institutions, a part of the Fund for the Republic. The fund and center "dabble" in revolutionary politics.

CHICAGO TRIBUNE, July 23, 1969.—Douglas received $4,104 in 1962 and 1963 from the Center for the Study of Democratic Institutions. He also wrote an article for a magazine published by Ralph Ginzberg, a pornography trade figure.

NEWSWEEK, June 9, 1970.—Douglas got $350 for writing an article on folk-singing for Ginzberg's magazine Avant-Garde. Ginzberg was convicted in 1963 on obscenity charges.

SAN FRANCISCO EXAMINER AND CHRONICLE, June 1, 1969.—In 1953 Douglas issued a stay of execution for Julius and Ethel Rosenberg who had been condemned to death for passing atomic secrets to Russians. A resolution of impeachment was filed in the House, but the furor died down. In 1966 Congressmen denounced his marrying his fourth wife who was 23.

WASHINGTON STAR, June 17, 1969.—Douglas wrote four articles for Playboy Magazine in 18 months. The first was on invasions of privacy, the second on water pollution, the third on civil liberties, and the fourth on dam-building sins of the Corps of Engineers. He would not say what he was paid.

WASHINGTON POST, May 29, 1969.—Senator Paul Fannin of Arizona criticized Douglas for the article he wrote for Avant-Garde. The article was entitled "The Appeal of Folk-Singing: A Landmark Opinion". Douglas was paid $350 for the article. Ginzberg was convicted in 1963 on obscenity charges and got 5 years. In 1966 the Supreme Court upheld the conviction 5–4, and Douglas was one of the dissenters.

WASHINGTON POST, May 28, 1969.—Representative Celler critized Douglas for his letter to Albert Parvin, head of the Parvin Foundation. The letter was drafted May 12, 1969 and dealt with the Internal Revenue Service's investigation of Parvin Foundation activities. The IRS investigation concerned in part "self-dealing" transactions between the foundation and its founder Albert Parvin. Parvin had not reported a sale of foundation stock on a 1962 tax return. In fact, he did not report the sale until 1967.

NEW YORK TIMES, May 27, 1969.—Editorial —Douglas' work on the Court is not the issue, but his unjudicial behavior in associating with persons of questionable background is.

NEW YORK TIMES, May 26, 1969.—Douglas said that the IRS investigation of the Parvin Foundation is a "manufactured case" intended to force him to leave the bench. Douglas resigned from the foundation because the work load was too heavy. Parvin's files contained a series of allegations by revenue service field agents who questioned more than 12 transactions involving Mr. Parvin's investment of foundation funds.

WASHINGTON POST, May 27, 1969.—Editorial —Douglas' statement that the IRS investigation of the foundation was a "manufactured case" to "get me off the court" shows Douglas' bias against the IRS and should disqualify him from judging cases involving the IRS.

EVENING STAR, May 27, 1969.—Douglas headed the Parvin Foundation during the time the IRS is investigating. Douglas said that he "knew very little" about the foundations tax troubles.

WASHINGTON POST, May 24, 1969.—The Parvin Foundation for many years received the bulk of its income from a mortgage on a

Las Vegas gambling casino, the Hotel Flamingo. Douglas first indicated that he was considering quitting the foundation on October 31, 1966, but did not do so until May of 1969.

CHICAGO TRIBUNE, May 22, 1969.—The Center for the Study of Democratic Institutions, which Douglas received money from, has been the second highest recipient of funds from the Parvin Foundation. The Democratic Center was the incubator of the National Conference for New Politics, which held a five-day debauch and did more than $10,000 worth of damage to the Palmer House Hotel in September 1967. The center is tax-exempt.

NEW YORK TIMES, May 22, 1969.—Douglas received $500 a day fee when he participated in seminars sponsored by the Democratic Center. The Parvin Foundation contributed $70,000 to the center from 1965–1967.

CHICAGO TRIBUNE, May 22, 1969.—Senator John J. Williams of Delaware asked the American Bar Association whether or not Douglas' relationship with the Parvin Foundation violates the A.B.A.'s canons of judicial ethics. In 1967 Douglas was the only foundation official to receive pay. He directed the foundation's philanthropic activities. Douglas received $85,000 total from the foundation.

WASHINGTON DAILY, May 19, 1969.—Between 1962 and 1968 Douglas was paid $72,000 by the Parvin Foundation for advice on how to spend about $450,000 in charitable contributions. The foundation's activity since Douglas was appointed as its chairman centers on his project to stimulate understanding of Western culture in Latin America's underdeveloped nations by granting fellowships to young scholars from "emerging nations".

NEW YORK TIMES, May 25, 1969.—His marriages:

1923 to Mildred Ridde—had two children, 1953 divorced.

1954 to Mercedes Hester Davidson. Divorced 1963.

1963 to Joan Martin. Divorced 1966.

1966 to Cathleen Hefferman who was 23.

HUMAN EVENTS, July 20, 1968.—Douglas wrote "The Unhappy State of the Nation" for The Center Magazine, published by the Democratic Center.

WASHINGTON POST, December 10, 1966.—Douglas' third wife was 23 when they married and the marriage lasted only 30 months. His fourth wife was a former cocktail waitress.

NEW YORK TIMES, October 17, 1966.—Albert Parvin purchased the Fremont Hotel and Casino in Las Vegas in the spring of 1966 for $11 million. In 1954 he paid $9 million for the Flamingo Hotel and Casino in Las Vegas and also has minor interest in three other casinos there.

U.S. NEWS & WORLD REPORT, October 31, 1966.—During 1966 six separate resolutions were introduced calling for an investigation of Douglas' character. The money that Douglas received from the Parvin Foundation is to cover his traveling expenses on visits he made for the foundation; however, Douglas submits no itemized account of his expenses.

NEW YORK TIMES, July 16, 1966.—Douglas, 67, married on July 15, 1966 23-year old Cathleen Hefferman, a college senior. He had known her for a year.

WASHINGTON POST, July 17, 1966.—Douglas and his fourth wife may take a trip to Red China. They were invited to Peking, and Douglas has requested permission to visit from the State Department.

NEW YORK TIMES, December 16, 1965.—Mrs. Joan M. Douglas, his third wife, filed for divorce on grounds of alleged cruelty and personal indignity. His second wife divorced him in 1963 and said that he had told her repeatedly that he no longer cared. He met his third wife at Allegheny College where she was a 21-year old senior.

NEW YORK TIMES, June 4, 1963.—Douglas advocates the admission of Red China to the United Nations and has called the "intrigues" by the Pentagon and CIA as threats to American freedom. He is called an extreme individualist.

WASHINGTON POST, April 12, 1963.—His second wife filed for divorce but did not state the grounds. They were married in December 1954, 17 months after Douglas was divorced by his first wife. His first wife said that Douglas left her abandoned and alone while he worked and traveled around the world.

WASHINGTON POST, August 1, 1963.—Douglas' second wife won an uncontested divorce on the grounds of cruelty.

WASHINGTON POST, August 6, 1963.—On August 5, 1963 Douglas married Joan Martin, his third wife. He met her in 1961 at Allegheny College where she was writing a paper on him.

WASHINGTON POST, December 15, 1954.—On December 14, 1954, Douglas married Miss Mercedes Hester, his literary research assistant. Miss Hester was 37. Douglas was divorced 17 months previously by his first wife who charged desertion. The divorce was uncontested.

WASHINGTON POST, December 1962.—Douglas wrote a pamphlet, Freedom of the Mind, in which he criticized the secrecy of the CIA. He also questioned the wisdom of suppressing sex in literature.

The AMERICAN MERCURY, August 1956.—The August 1956 issue of American Mercury Magazine also listed cases it considered to have subversive questions and Justice Douglas' votes are as follows:

1943—Schneiderman case. Voted to overrule government cancellation of citizenship of Schneiderman, a Communist Party functionary.

1945—Bridges case. Voted to set aside deportation order against Harry Bridges, Communist trade-union leader.

1946—Lovett case. Voted that Congressional rider barring federal salary to Robert M. Lovett and two other conspicuous fellow-travelers was an unconstitutional bill of attainder.

1948—Marzani case. Dissented from Court decision upholding conviction for perjury of Carl Aldo Marzani, Communist Party member and State Department employee.

1948—Josephson case. Dissented from Court decision refusing to grant certiorari to case of Leon Josephson, convicted by lower courts of contempt in refusing to answer questions about his Communist activities to a Congressional committee.

1951—Bailey case. Voted to reverse decision of lower courts upholding the discharge from the Department of Labor under the Truman Loyalty Order of Dorothy Bailey, whose record showed membership in one or more Communist fronts.

1951—Joint Anti-Fascist Refugee Committee case. Voted to overturn decision of lower courts barring the removal of the JAFRC from the Attorney General's subversive list.

1951—Carlson vs. Landon case. Dissented from Court decision upholding the McCarran-Walter Immigration Act in the Carlson case.

1951—Smith Act case. Dissented from Court decision upholding constitutionality of the Smith Act. Upon this decision hinged the fate of the 11 Communist leaders in the famous Foley Square trial.

1952—Medina case. Dissented from Court decision upholding the contempt conviction of the Communist lawyers in the Foley Square case.

Having read his book "Points of Rebellion" twice, I quoted a number of controversial portions in a series of 1 minute talks before the House last month. The major portions of these comments are inserted at this point for your convenience:

JUSTICE DOUGLAS' BOOK "POINTS OF REBELLION"

Mr. SCOTT. Mr. Speaker, there are a number of reasons for us to question the fitness of Mr. Justice Douglas to continue to sit on the Supreme Court and perhaps we should question him on all of these. However, at this time I would like to review the first third of his book "Points of Rebellion" and mention a few excerpts from it.

The book starts out with a reference to the constitutional protection which surrounds a citizen's belief and states how wonderful it is to live in a land where even a riot may be tolerated.

The author then goes on as follows:

He gives a discussion of the alleged historic practice of police in breaking up gathering of minority groups out of favor with the Establishment and charging them with "disorderly conduct" and "breach of the peace";

He states that lawful assembly often boils over into unlawful conduct because of people's emotions and irrational behavior, but blames this in part on the police arm of the Establishment saying:

"A speaker who resists arrest is acting as a free man. The police do not have *carte blanche* to interfere with his freedom."

A reference to national insecurity in international relations:

"We have become virtually paranoid. The world is filled with dangerous people. Every trouble maker across the globe is a communist."

He indicates:

"Domestic issues also have aroused people as seldom before. The release of the Blacks from the residual institutions of slavery has filled many white communities with fear."

A discussion of the corporation state and its desire "to convert all the riches of the earth into dollars" and "to produce climates of conformity that make any competing idea practically un-American."

He speaks of dilution of free speech:

"Although the First Amendment says that Congress shall make "no law" abridging freedom of speech and press, this has been construed to mean that Congress may make "some laws" that abridge that freedom."

He states:

"Our colleges and universities reflect primarily the interests of the Establishment and the status quo. Heavy infiltration of CIA funds has stilled critical thought in some areas. The use of Pentagon funds for classified research has developed enclaves within our universities for favored professors, excluding research participation by students."

He asserts:

"The university—symbol of the Establishment—is used to having its way in a community. Its pressure is commonly applied to Black areas; as it needs to expand, Black tenements provide an easy target."

He makes references to "goose stepping and the installation of conformity as king" and a statement that, "Our search for the ideological stray, through loyalty and security hearings, has vastly accelerated our trend to conformity.";

A recitation of various questions asked and the allegation that—

"Thousands lost their jobs because of these trivia. Others were suspended and turned into the outer darkness because of their membership in organizations deemed "subversive."

He is concerned with—

"An ominous trend is the increasing FBI activity on present-day college and university campuses. They put under complete surveillance a member or leader of the Students for a Democratic Society group—SDS—monitoring every minute of months of his life.

He charges:

"Big Brother in the form of an increasingly powerful government and in an increasingly powerful private sector will pile the records

high with reasons why privacy should give way to national security, to law and order, to efficiency of operations, the scientific advancement, and the like.

He states:

"Electronic surveillance, as well as old-fashioned wire tapping, has brought Big Brother closer to everyone and has produced a like leveling effect."

He specifically charges:

"The FBI and the CIA are the most notorious offenders, but lesser lights also participate: Every phone in every federal or state agency is suspect. Every conference room in government buildings is assumed to be bugged. Every Embassy phone is an open transmitter."

And he philosophically states:

"As a person of worth and creativity, as a being with an infinite potential, he retreats and battles the forces that make him inhuman. The dissent we witness is a reaffirmation of faith in man; it is a protest against living under rules and prejudices and attitudes that produce the extremes of wealth and poverty and that makes us dedicated to the destruction of people through arms, bombs, and gases, and that prepare us to think alike and be submissive objects for the regime of the computer."

The second section of the book to be reviewed tomorrow is entitled "The Legions of Dissent." The book grows in intensity and builds up at the end to a justification for revolt if the Government fails to submit to the dissenters.

Is this man competent to sit on the Supreme Court? Is he worth $60,000 per year as a Government employee? Should he be impeached? These are questions the Congress should face.

Mr. Speaker, the second section of "Points of Rebellion" by Mr. Justice Douglas is not long. It commences with various criticisms of our conduct of foreign affairs and concludes with the statement the author credits to Adolf Hitler: "We need law and order." Sandwiched between are these "patriotic" observations:

"Our youth rebelled violently when Mr. Johnson used his long arm to try to get colleges to discipline the dissenters and when he turned the Selective Service System into a vindictive weapon for use against the protestors. . . .

"But we know that preparedness and the armament race inevitably lead to war. Thus it ever has been and ever will be. Armaments are no more of a deterrent to war than the death sentence is to murder. . . .

"The Pentagon has a fantastic budget that enables it to dream of putting down the much-needed revolutions which will arise in Peru, in the Phillippines, and in other benighted countries. . . .

"The mass media—essentially the voice of the Establishment—much of the time reflects the mood of the Pentagon and the causes which the military-industrial complex espouses. So, we the people are relentlessly pushed in the direction that the Pentagon desires. . . .

"Police practices are anti-Negro.

"Employment practices are anti-Negro.

"Housing allocation is anti-Negro.

"Education is anti-Negro. . . .

"For the poor, the interest rates have been known to rise to 1000 per cent a year. . . .

"Yet another major source of disaffection among our youth stems from the reckless way in which the Establishment has despoiled the earth. The matter was put by a 16-year-old boy who asked his father, 'Why did you let me be born?'

"Youthful dissenters are not experts in these matters. But when they see all the wonders of nature being ruined, they ask, 'What natural law gives the Establishment the right to ruin the rivers, the lakes, the ocean, the beaches, and even the air' . . .

"There are 'colonies' within the United States. West Virginia is in a sense a microcosm of such a colony. It is partially owned and effectively controlled by coal, power, and railroad companies, which in turn are controlled by vast financial interests of the East and Middle West. The state legislature answers to the beck and call of those interests. . . .

"Political action that will recast the balance will take years.. . . .

"The truth is that a vast bureaucracy now runs the country, irrespective of what party is in power. The decision to spray sagebrush or mesquite trees in order to increase the production of grass and make a cattle baron richer is that of a faceless person in some federal agency. Those who prefer horned owls or coyotes do not even have a chance to be heard. . . .

"The truth is that a vast restructuring of our society is needed if remedies are to become available to the average person. Without that restructuring the good will that holds society together will be slowly dissipated.

"It is that sense of futility which permeates the present series of protests and dissents. Where there is a persistent sense of futility, there is violence; and that is where we are today.

"The use of violence is deep in our history. . . .

"We are witnessing, I think, a new American phenomenon. The two parties have become almost indistinguishable; and each is controlled by the Establishment. The modern day dissenters and protesters are functioning as the loyal opposition functions in England. . . ."

These statements made by a private citizen would not attract a great deal of attention but, when made by a sitting Justice of our Supreme Court, one wonders whether the author, because of age or other infirmity, has become so hostile to existing American institutions as to prevent him from impartially deciding issues coming before our Highest Court.

Monday, the remaining section of the book will be reviewed. It is entitled "A Start Toward Reconstructing Our Society." However, this is more than a book review. The book contains the thoughts of a man sworn to uphold our laws, paid by our Government at the highest executive level, and a member of the Highest Tribunal that interprets the law of the land. Can he perform the functions of his office? His voluntary retirement would resolve the issue.

Let me complete the review by quoting some of the text of the section entitled "A Start Toward Reconstructing Our Society."

These are direct quotations:

"Our militarism threatens to become more and more the dominant force in our lives. This is an inflammatory issue; and dissent on it will not be stilled.

"If history is a guide, the powers-that-be will not respond until there are great crises, for those in power are blind devotees to private enterprise. They accept that degree of socialism implicit in the vast subsidies to the military-industrial complex, but not that type of socialism which maintains public projects for the disemployed and the unemployed alike.

"The specter of hunger that stalks the land is likely to ignite people to violent protest.

"In one year Texas producers, who constitute 0.2 per cent of the Texas population, received 250 million dollars in subsidies, while the Texas poor who constitute 28.8 per cent of the Texas population, received 7 million dollars in food assistance.

"The local agencies also determine what families are "eligible" for food stamps. Their word is the law, for there are no procedures and no agency or surveillance to make sure that people are not made "ineligible" because of race, creed or ideological views. Retailers who may receive food stamps and turn them into the local bank for cash have prescribed remedies if they are discriminated against. But the faceless, voiceless poor have no such recourse.

"The person who must pick those allowed to eat on the limited budget is the principal. The result is that some hungry children go without lunches—80.8 per cent in Virginia, 70.4 per cent in West Virginia, 73.5 per cent in Pennsylvania and 86.8 per cent in Maryland. Overall, the national figures show that at least two out of three needy children do not receive school lunches.

"The use of violence as an instrument of persuasion is therefore inviting and seems to the discontented to be the only effective protest.

"Racial problems often are the key to a freeway crisis. In Washington, D.C., the pressure from the Establishment was so great on the planners that the natural corridor for the freeway was abandoned and the freeway laid out so it would roar through the black community. That experience is not unique. Many urban areas have felt the same discrimination. The Blacks—having no voice in the decision—rise up in protest, some reacting violently.

"Why should any special interest be allowed to relocate a freeway merely to serve its private purposes?

"People march, and protest but they are not heard.

"In some parts of the world the choice is between peaceful revolution and violent revolution to get rid of an unbearable yoke on the backs of people, either religious, military, or economic.

"The welfare program works in reverse by siphoning off billions of dollars to the rich and leaving millions of people hungry and other millions feeling the sting of discrimination.

"The special interests that control government use its powers to favor themselves and to perpetuate regimes of oppression, exploitation, and discrimination against the many.

"If society is to be responsive to human needs, a vast restructuring of our laws is essential.

"The universities should be completely freed from CIA and from Pentagon control, through grants of money or otherwise. Faculties and students should have the basic controls so that the university will be a revolutionary force that helps shape the restructuring of society. A university should not be an adjunct of business, nor of the military, nor of government. Its curriculum should teach change, not the status quo. Then, the dialogue between the people and the powers-that-be can start; and it may possibly keep us all from being victims of the corporate state.

"George III was the symbol against which our Founders made a revolution now considered bright and glorious. George III had not crossed the seas to fasten a foreign yoke on us. George III and his dynasty had established and nurtured us and all that he did was by no means oppressive. But a vast restructuring of laws and institutions was necessary if the people were to be content. That restructuring was not forthcoming and there was revolution.

"We must realize that today's Establishment is the new George III. Whether it will continue to adhere to his tactics, we do not know. If it does, the redress, honored in tradition, is also revolution.

"That revolution—now that the people hold the residual powers of government—need not be a repetition of 1776. I could be a revolution in the nature of an explosive political regeneration. It depends on how wise the Establishment is. If, with its stockpile of arms, it resolves to suppress the dissenters America will face, I fear, an awful ordeal."

Justic Douglas appears to champion everything that is wrong with the Government.

In my opinion his obsession with criticizing the Government and the free enterprise system renders him incapable of impartially deciding issues coming before the Supreme Court. When the statements in this book are coupled with his other activities and conflicts of interest. It seems to me that we have an obligation to remove him as a Justice of the Supreme Court.

Such a serious course should be carefully charted and I woud prefer to join with others in taking the necessary action. However, after further study of procedure and his activities, I expect to institute impeachment individually or in conjunction with others.

These items and the statements made last night in special orders could be a starting point for a select committee to determine whether Mr. Justice Douglas should be impeached. In my opinion, they make a prima facie case. However, he should be given an opportunity to be heard and the committee afforded an opportunity to delve deeper into his activities. The House has a responsibility which I hope will be met.

CONDUCT OF JUSTICE DOUGLAS

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

Mr. FISH. Mr. Speaker, I join Mr. FRANK HORTON of New York in sponsoring a House Resolution to authorize the creation of a select committee of six to thoroughly investigate whether sufficient evidence exists to indicate Justice William Orville Douglas has committed high crimes and misdemeanors or has, while incumbent, failed to be of good behavior as required of a Justice under our Constitution.

I am joining in this resolution for the creation of a select committee which would be evenly balanced between members of the majority and minority as a precedence exists for such action by Congress. A similar committee was established by the House in the case of Mr. ADAM CLAYTON POWELL.

The need for the establishment of this select committee as called for in the House Resolution is clear. Strong enough allegations have been made against Mr. Justice Douglas before the Congress to activate our responsibility to thoroughly investigate the substance of these charges to determine whether they are firmly enough based in fact to warrant impeachment proceedings by the Congress.

Such action is necessary, as unlike an elected official, in the recall of whom the people are sovereign, a Justice of the Supreme Court serves "during good behavior" subject only to his death, resignation. or impeachment through constitutional proceedings in the Congress. I wish to stress, Mr. Speaker, that the mere creation of such a select committee, or the start of its investigation of charges that may eventually lead to a recommendation of impeachment, does not indicate presumption of guilt. A Supreme Court Justice, like any other citizen of our land must be considered innocent unless proven guilty beyond a reasonable doubt.

But a failure by the Congress to thoroughly investigate the serious allegations that have been laid before us concerning the alleged conduct of Mr. Justice Douglas, could, I believe, be considered by the people as a failure on the part of the Congress to fulfill our duty under the Constitution.

Therefore, I strongly urge, Mr. Speaker, the creation of such a select committee to investigate all allegations and to report their findings to Congress within 90 days of the designation of its membership. To do less we would fail in our duty under the Constitution, to the people of this country, and to Mr. Justice Douglas.

CONGRATULATIONS TO THE 4–H MOVEMENT

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

Mr. ADAIR. Mr. Speaker, with the approach of the 40th Annual National 4–H Club Conference here in Washington April 19–24, I think it is timely to observe that one of the finest international education and development programs for America and for the world is conducted by the 4–H Clubs, under general supervision of the Cooperative Extension Service. This work has been expanding quietly but effectively for more than 20 years. Toward the end of World War II, the 4–H members and leaders adopted a post-war expansion program with one of their guideposts built around the theme: "Serving as Citizens in Maintaining World Peace."

Their beginning activities in the foreign affairs field included a two-way 4–H member and leader exchange called the International Farm Youth Exchange Program—IFYE. Since 1948, more than 4,500 young people between the ages of 20 and 30 have lived in 72 countries around the world and have worked with youth programs to promote understanding and development. More than 40,000 host families have been involved directly. Almost all of the modest funds for this self-help effort have come from the private sector—much of it from the 4–H members themselves.

Today, with nearly four million 4–H youth actively engaged in the learn-by-doing programs of 95,000 local clubs, their expanded efforts are a bright spot in the international picture.

Purdue University, which sponsors 4–H Club programs in the State of Indiana, has supplied some facts about the growth and scope of the 4–H movement, which are very impressive. For example, in the Fourth Congressional District in Indiana, 8,973 4–H members were enrolled in our nine counties last year, 1969:

Allen	2,445
Adams	765
De Kalb	690
Huntington	1,103
LaGrange	596
Noble	921
Steuben	529
Wells	891
Whitley	1,033

These members are counseled and helped with their educational projects and activities by volunteer leaders who give many hours of time with no salary or reimbursement.

More than 250 hard-working 4–H'ers will be coming here to Washington for the 4–H Conference, April 19–24. We look forward to receiving them here in the Congress while they learn about the processes of our democracy as part of their citizenship education program. On April 20, these 4–H delegates will break ground for a much needed addition to their National 4–H Club Center at 7100 Connecticut Avenue NW. Mrs. Nixon and J. C. Penney, as honorary cochairmen of the National 4–H Advisory Council, plan to attend. This training center was established with only private support in 1951. It was formally opened as a training center in June 1959 by then President Dwight D. Eisenhower.

A new and worthy innovation for 4–H'ers is labeled the "Youth Development Project." It operates somewhat like the Peace Corps program, but with important differences.

First. It is conducted by rural-minded and agriculturally trained personnel. Accordingly, these young leaders, who work in rural areas of developing nations, are quickly accepted and can quickly become effective. Cooperation is made easier and more productive by direct sponsorship and rapport which exists between the 4–H and extension organizations in the United States and the rural youth programs of the cooperating country.

Second. Important "feedback" or exchange of cultural and economic information and understanding is arranged in the United States through the vast educational programs of the 4–H clubs as part of the nationwide system of State land-grant universities and the U.S. Department of Agriculture. In this feature, the 4–H International Farm Youth Exchange Program—IFYE—has enjoyed unique and successful experiences for more than 20 years.

Third. The cost-benefit ratio is favorable. Because recruitment of leaders and participants stem directly from the learn-by-doing program of 4–H, its recruitment costs are almost nil. Volunteers step forward in ample numbers and with excellent talent for this work. Orientation and preparation costs are minimal because the major need is only for language training. Knowledge of agricultural science and rural culture is already present in these advanced farm-reared former 4–H members.

Fourth. A subtle relationship with agriculturally related industry and with U.S. aid programs give opportunity for bonus benefits at lowest possible cost. However, supervision and policy direction are in the hands of professionals who have only educational aims and objectives.

The self-help philosophy and the widespread citizen participation built into the 4–H international program is one of its most worthy features.

I urge the Members of the House to join me in congratulating the 4–H movement upon its accomplishments in serving youth at home and abroad.

ESTABLISHING A NATIONAL COLLEGE OF ECOLOGY AND ENVIRONMENTAL STUDIES

(Mr. WHITEHURST asked and was given permission to address the House

for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. WHITEHURST. Mr. Speaker, I have joined with 21 of my colleagues in introducing House Resolution 16847, which establishes a National College of Ecological and Environmental Studies.

Students participating in this nonpolitical youth forum will be selected by the National Science Foundation. The college will provide a channel of communication for mature, bright students to discuss and help solve the growing problems associated with the environment and ecology.

Computations of scientists reveal that if present growth rates continue, the world's population will have doubled by the year 2000 from 3.5 to 7.2 billion persons. And by the year 2070, 100 years from now, the population would be 20 to 30 billion.

It has been estimated that to restore a polluted body of water such as Lake Michigan to its purity of 1945 would require $40 billion and 50 years time. This is provided all pollution was stopped now. Obviously, growth rates such as those predicted will not allow a complete halt. The Nation is entering a viscious cycle, moving to decrease pollution while a larger population demands more and more services. It is apparent that innovative and forthright action must be taken. I believe the needed ideas to deal with pollution could come from an intellectual environment, as provided at the National College forums. Students fully educated by scientific and industrial experts could make a significant contribution in pollution abatement.

An article written by Peter A. Gunter, of North Texas State University, published in the Spring edition of The Living Wilderness reveals dramatically the impending problem before us. I share it with my Colleagues at this point in the RECORD:

Long before the sheer need for space outstrips the capacity of the earth to continue to support additional life, world population will outrun food supplies. Demographers agree almost unanimously on the following grim timeable: by 1975 widespread famines will begin in India; these will spread by 1990 to include all of India, Pakistan, China, the Near East, and Africa. By the year 2000, or conceivably sooner, South and Central America will exist under famine conditions. Nor is this, when you come to think of it, very surprising. In Costa Rica the population doubles every seventeen years, in El Salvador every nineteen years—and so on. Meanwhile world food supplies can scarcely double in one hundred years. By the year 2000, *thirty years from now*, the entire world, with the exception of Western Europe, North America, and Australia, will be in famine.

It does not take a genius to predict the results of this crisis. Ecologically, man's already pressing demands on his environment will be redoubled, while the means of preventing and repairing environmental decay become increasingly unavailable. Politically, it is very difficult to see how the world can avoid near-chaos, as governments rise, fall, and rise again in vain attempts to placate starving masses, and the poor nations of the earth mass hungrily together against the rich.

If correct action is not taken soon we may not be able to enter another century enjoying the services and benefits we now have. We must change our entire approach to our environment.

I urge the Committee on Science and Astronautics to quickly consider House Resolution 16847.

Mr. Speaker, several bills have been introduced to this session of Congress dealing with the pollution problem. I have introduced and cosponsored five bills covering five different areas; administration, legislation, enforcement, education, and research.

House Resolution 15969, the Pollution Abatement Act of 1970, creates a National Environment Control Commission which would consolidate pollution control programs presently widely scattered throughout the Federal Government, and provides an organized, business-like approach to combating pollution.

House Resolution 14701 gives the Federal Government immediate injunctive relief in any situation where danger of water pollution exists. The various departments of Government need the enforcement tool this bill provides. The bill was introduced in direct response to the recent James River sewage situation.

House Resolution 715 would create a Standing Committee on the Environment in the House of Representatives. All pollution bills would go to this legislative committee, except tax credit bills.

House Resolution 15288 is an educational bill directing the Office of Education in the Department of Health, Education, and Welfare to provide funds for training and education in pollution abatement.

House Resolution 16847 establishes the National College of Ecological and Environmental Studies. The bill would affect educational and research efforts.

The current alarm over environmental degradation has reached beyond the college campuses to Government and industry, and there has been a quickening of the conscience. The earth is, at best, a fragile life support system, and mankind, for the first time in all history, has the capacity to destroy it and himself. A real change in his approach to the environment and long-cherished economic assumptions is called for.

WE SHOULD SUPPORT ATTORNEY GENERAL MITCHELL, NOT CRITICS

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

Mr. DEVINE. Mr. Speaker, last week a liberal majority in the other body dealt a deadly blow to President Nixon's second nomination to fill the seat on the Supreme Court vacated by Abe Fortas. This week I noted with interest that Life magazine and other liberal publications are calling for the resignation of the Attorney General. What an interesting combination—liberal legislators and liberal publishers—attempting to deny to the conservative voters who chose this administration their voice in the Government.

Rather than have Mr. Mitchell resign, I hope he stays around for many years to insure that the conservative majority in this Nation shall have a voice in the high councils of our Government. On the big domestic issues of our day—crime and civil rights—this Attorney General has been the strong and courageous spokesman for the reasonable, constructive, and balanced approach.

In the area of crime he has changed the existing policy which was to guard the rights of the criminal more than the rights of society. He has proposed sweeping new legislation—which even now languishes in these halls—to get criminals off of our streets, provide more money for law enforcement officers, rid our mails of obscene materials, keep crooks from holding union office, toughen our laws with regard to drug traffickers and bomb throwers, revamp the District of Columbia court system, and a whole host of new, creative, and—let us say it—tough laws to make this Nation again safe from criminal elements. This is the kind of leadership we need. This is the kind of leadership our citizens are calling for. This is the kind of leadership that I am proud to support.

In the civil rights area the Attorney General has not turned aside from the rights of minority groups. He has continued wise policies of the past, while discarding those which were more spectacular than wise. He has initiated and supported new policies to obtain for all of our citizens the full measure of their civil rights. However, he has at the same time been mindful of the rights of the majority while safeguarding those of the minority. This balance has too often been lacking in the past and I welcome it in a man of his high position at the present time.

In short, let us give the Attorney General our support rather than our criticism. Let us call for him to remain as Attorney General rather than call for his resignation. He is one of the best this Government has to offer.

CRIME

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

Mr. CEDERBERG. Mr. Speaker, President Nixon committed his administration to stemming the flow of crime in America. He warned us that the fight would be long and difficult, and I think that events have proved that the warning was justified.

Under our federal system, the principal responsibility for the administration of law enforcement and criminal justice rests with the State and local governments, not with the Federal Government. This is as it should be. We do not want to have a Federal police force.

But the Federal Government nevertheless has an important role to play in the fight against crime, and it is clear that the Nixon administration has given the role new vitality.

One of the most important steps the President took last year was to appoint John N. Mitchell as his Attorney General of the United States. For this new Federal role requires leadership, and Mr.

Mitchell has made it clear in the last 15 months that he is the chief law enforcement officer of the United States.

From a monumental organized crime and narcotics program to needed reform of the Federal Corrections System, from the massive Federal effort to make the streets of the National Capital safe for its citizens, to new methods devised to deal with the problem of rampant pornography, Attorney General Mitchell has exercised firm and wise leadership.

But it is in the area of Federal assistance to the States and cities in attacking street crime that the administration's star will rise or fall. And from all appearances thus far, the first full year of that program envisages a bright future for it.

From its original budget of $63 million in fiscal year 1969, the law enforcement assistance administration is now operating, under Mr. Mitchell's guidance, with $268 million in funds, and with measurable results. Each of the States has for the first time planned its law enforcement activities on a coordinated statewide basis, and in every State improvement projects are underway.

The status and the salaries of policemen are being enhanced. They are receiving training on an unprecedented scale. They are getting more and better equipment to perform their vital tasks. And research and development in law enforcement—a serious lack in our resources against crime—has received a real shot in the arm.

Although the most recent FBI statistics show that the "rate of increase" of serious crime is decreasing, this is not enough. Attorney General Mitchell's continued leadership, I am confident, will bring about dramatic results which will soon become apparent to every citizen. Then our debt to him will be immeasurable.

BANKERS BECOMING ALARMED ABOUT VIETNAM INVOLVEMENT

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

Mr. MADDEN. Mr. Speaker, during my recent visits to my congressional district I have noticed a startling change of public sentiment concerning the U.S. involvement in Southeast Asia. This criticism is coming from all segments of our economy—business, industry, labor, leaders in education, and so forth. A year and 4 months ago President Nixon made the statement that he was going to terminate the war rapidly by making gradual troop withdrawals. Many have been disappointed that the troop withdrawal process has been nothing more than nominal, and also that there have been occasional announcements of troop replacements in the Vietnam area. In recent months the news media has been devoting considerable time to our activities in Cambodia and Laos. The American public has been further alarmed that our Asian involvement may last long into the future.

Mr. Speaker, I wish to submit with my statement a newspaper article in this morning's Washington Post giving excerpts by the chairman of the board of the Nation's largest bank, Mr. Louis B. Lundborg, in his testimony before the Senate Foreign Relations Committee:

[From the Washington Post, Apr. 16, 1970]

BANKER DENIES VIETNAM WAR BRINGS PROFIT

(By Frank C. Porter)

The board chairman of the country's largest bank branded U.S. involvement in Vietnam "a tragic national mistake" yesterday.

In addition to dividing and confusing Americans, it has distorted the economy and hurt business profits, Louis B. Lundborg of the Bank of America told the Senate Foreign Relations Committee.

It was one of the strongest attacks to date on U.S. policy in Southeast Asia by a major figure of the corporate community.

Lundborg said the United States has reached the point of diminishing returns from defense-related technology and that research and development expenditures may actually be reducing the rate of economic growth.

He was leadoff witness of month-long hearings by the committee into what Chairman J. W. Fulbright (D-Ark.) called "the impact of the war on the everyday lives and attitudes of the American people."

As spokesman for the Bank of America, Lundborg confined his testimony to the war's economic effects.

But later he made a second statement as a private citizen in which he said this country's self-appointed role as unilateral policeman for the world "is morally indefensible and practically unsustainable."

"Because I have had no reason to doubt the good faith of the withdrawal plans announced by the President, I might have continued to remain silent," Lundborg explained. "But when I read 12 days ago that the President is under pressure to expand our military role in Asia, it seemed to me that the time had come to speak up and speak out and to say our meddling has gone far enough."

In his earlier testimony, Lundborg sought to refute "reckless and often deliberately malicious charges that the U.S. business community has supported the Vietnam war in an effort to reap huge profits."

Despite "the protestations of the New Left to the contrary," he said, "the fact is that an end to the war would be good, not bad, for American businesses."

During the four years before Vietnam escalation, corporate profits after taxes rose 71 per cent, Lundborg said, but from 1966 through 1969 they only increased 9.2 per cent.

He conceded that statistics are inadequate to make a conclusive case about deteriorating profits.

But "we do have more than adequate data to demonstrate that the escalation of the war in Vietnam has seriously distorted the American economy, has inflamed inflationary pressures, has drained resources that are desperately needed to overcome serious domestic problems confronting our country and has dampened the rate of growth in profits on both a before and after tax basis," he said.

PORNOGRAPHY AND OBSCENITY A MAJOR PROBLEM

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

Mr. SCHADEBERG. Mr. Speaker, I would like to direct your attention to the efforts of a young man who works diligently for one of various phases of the Presidential Commission on Pornography and Obscenity.

This young man, an associate at Boston University's Law School, was referred to in remarks made before this body last week. I do not believe that I fairly represented his efforts and the cooperation which this young man expressed to me and my staff in my continuing efforts to bring attention to this shocking problem.

My consideration in mentioning his study at all was to point out what I have been stating for some time on this floor, that this is a problem which must be considered by the House of Representatives and indeed, the entire Congress. It is a problem much larger than one young man from one university, assigned a section or parcel of an educational study. The complete understanding of crime's involvement within the pornography enterprise area is so mammoth, so involved, and so entangled, that only the combined investigative powers of the U.S. Congress can begin to unravel its myriad of involvement.

I have been asking this House for the better part of this session to take some action on my resolution to bring this area under special investigation. This effort has met with the cold shoulder of discouragement from the Justice Department and the White House, among others, all because of the dependency of those agencies upon the alleged power of this so-called Presidential Commission.

My purpose in making reference to the study being conducted by this young man was to point out the misdirection the Commission is taking. By stating my opposition to the human experimentation which the Commission has made, and by stating that an important part of the problem has not received sufficient funding and attention, the congressional mandate of assisting us in halting the spread of pornographic literature has not been met.

The young man I referred to in my remarks is doing as commendable a job as is possible with the severe limitation which has been imposed upon him. His study has not received adequate funding and he is forced, because of his lack of investigation tools, to seek secondhand information, on a rather part-time basis.

I still feel as I did about the work of the Commission and I feel strongly about the fact that the Commission is not carrying out its mandate, but I would like to state that many involved in this study are working hard to bring to the people of this country a realistic picture of the problem which we face in this area.

LIMITING TEXTILE IMPORTS

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

Mr. TAYLOR. Mr. Speaker, for the past 14 months, we in the Congress have waited patiently while the administration attempted to negotiate agreements controlling imports of textile articles into

the United States. Those of us who have a major textile and apparel payroll in our districts have long felt the need for decisive action to bring textile imports under some sort of reasonable control. We have held back moving on legislation in the hope that voluntary agreements could be negotiated.

It now appears that the attempts to negotiate agreements have met with failure and any further efforts in this regard would be futile.

I, therefore, am joining with a number of my colleagues in sponsoring legislation which will provide a framework within which this long-festering textile import problem can be eliminated.

We cannot afford to wait any longer while the exporting nations use every device possible to stall for time and build up a bigger and bigger base of operations in this country at the expense of our own textile workers. Textile imports in 1969 reached a record high of 3.6 billion square yards. Commerce Department officials report this week that imports in January and February of this year are far ahead of the comparable period of last year. It just goes on and on.

This may bring great joy in Tokyo or Seoul or Taipei but it gives us little to cheer about in Rutherfordton, N.C. The Bureau of Labor Statistics has just announced that textile and apparel employment declined by 18,000 between February and March. This type of job loss can no longer be tolerated.

The impact of this decline in employment is felt, particularly, in my home State of North Carolina, where one out of every two manufacturing jobs is in textiles.

In January of this year, the Winston-Salem Journal reported that 1,500 textile workers in that area lost their jobs. Late in December, a Uniroyal, Inc., plant in Gastonia announced it would close its doors, putting 160 employees out of work. In March, American & Efird Mills announced the closing of its Tait plant in Lincolnton, N.C., with 160 workers laid off and the J. P. Stevens Co. recently closed two mills in South Carolina and one in Tuxedo, N.C., for a week, affecting 2,000 employees.

These are just a few examples of how mills are being closed and workweeks being shortened because of low-wage imports.

During the same week that our Labor Department announced a decline of 18,000 textile and apparel jobs in this country, Japan, the largest textile exporter to this country, announced that her exports of knitted cloth to the United States doubled in 1969 over 1968.

We see example after example of how Japan and the other low-wage countries are expanding their production facilities and increasing shipments while American mills are cutting back. There can be little enthusiasm to invest in research and new facilities when low-wage imports are permitted to take an increasing share of our textile market.

Mr. Speaker, we have been most patient and tolerant with the exporting nations, but we must now act to safeguard the future of our own major job-producing industries.

The legislation I am sponsoring will accomplish that in a fair and reasonable way. It will permit foreign nations to sell a reasonable amount of their textile products in this country, but it also will prevent them from completely disrupting our market and employment as they have been doing.

My bill will establish a limit on textile imports in 1970 at the very high average years of 1967 and 1968. In subsequent years, the level will be adjusted up or down depending upon whether the domestic market increases or decreases.

What could be more reasonable?

This bill is a fair-share-fair-trade bill. And, most importantly, it will rebuild the confidence of the textile industry. It will be the key to new plants, modernized plants and expanding payrolls in our great textile State.

ATTORNEY GENERAL JOHN N. MITCHELL

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

Mr. CONABLE. Mr. Speaker, we Americans are privileged in that our citizens may express their opinions regarding the way Government officials are doing their jobs. Too often these days this privilege, so rare among nations of this world, is abused by people who place partisan interests above the truth.

A case in point is the recent criticism of Attorney General John N. Mitchell, a man whose accomplishments in office are plainly in evidence for those who would care to examine the record rather than indulging in thoughtless or partisan condemnation.

While his leadership as Attorney General has been evident in many areas, nowhere is there a clearer illustration of John Mitchell's merit than in the new and effective steps being taken against drug abuse by the Department of Justice. Stepped-up cooperative foreign efforts have resulted in greater seizures of dangerous substances overseas than ever before. Similar success has been achieved in our ports of entry and borders. But seizures alone are not enough, and in recognition of this the Attorney General has set up mobile strike forces which enable the skillful agents of his Bureau of Narcotics and Dangerous Drugs to provide assistance to local law enforcement in major drug traffic areas. He has aimed his program where it will do the most good, leaving local problems to local law enforcement officers who are now receiving drug abuse training by his Department at the rate of some 22,000 per year. He has encouraged needed legislative reform in the drug control area by submitting the proposed controlled Dangerous Substances Act, which hopefully we will shortly enact into law. Through his Law Enforcement Assistance Administration, he has assisted in establishing several State and metropolitan narcotic and dangerous drug units to deal with this problem more effectively at the local level.

These are but some of the Attorney General's achievements in just one of his many critical areas of responsibility. His approach to law enforcement has been rational, innovative, and effective. I know that I speak for a clear majority of Americans when I express my gratitude to Mr. Mitchell for his tireless and dedicated work.

CRIME IN THE DISTRICT OF COLUMBIA

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

Mr. HUNT. Mr. Speaker, the people of the District of Columbia owe Attorney General John Mitchell a vote of thanks for rolling up his sleeves and tackling the job of alleviating the problem of crime in the District of Columbia, a problem which has long been neglected. It has been apparent for many years that the criminal justice system in the District of Columbia is disintegrating. There has been a lot of talk about this problem over the years, but it took John Mitchell to really do something about it.

Within 6 months after John Mitchell assumed office, the Department of Justice had developed a comprehensive legislative package dealing with many aspects of the District's criminal justice system. This package will give the District a truly local court system, with more judges and improved administration. This improved court system should result in expediting trials of criminal offenders. The court reorganization will also result in removing all local matters from the Federal courts located in the District of Columbia, thus permitting it to concentrate on Federal matters and reduce its backlog.

The legislative package also contained a measure which would permit consideration of danger in setting release conditions and would permit the judge to order detention of a defendant charged with certain offenses for whom the judge finds no conditions of release can be set which will adequately protect the community. Under this legislation, the number of crimes committed by persons released on bail should be substantially reduced. Passage of this legislation and the court reorganization legislation should provide speedier justice and substantially reduce the crime rate.

Other improvements in the criminal justice system are called for in the legislation. The District of Columbia Bail Agency would be authorized to supervise pretrial releases to assure that they do not violate their conditions of release, thus keeping down the rate of commission of crime by persons on pretrial release. The District of Columbia Legal Aid Agency would be expanded to a full-fledged Public Defender Service which could defend up to 60 percent of eligible defendants and assist private attorneys in preparing the defense of the other eligible defendants. The juvenile proce-

dure code would be completely revised to indicate in detail the rights of a juvenile offender and the court procedures applicable to him. The juvenile procedure code would no longer make juvenile procedures applicable to certain juveniles charged with certain serious felonies who would, under the legislation, be tried in adult court.

John Mitchell deserves a great deal of credit for taking this action on the District of Columbia crime problem after so many years of inaction during previous administrations.

PRESIDENT ACTS TO HALT DUMPING IN THE GREAT LAKES BY U.S. CORPS OF ENGINEERS

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

Mr. KLUCZYNSKI. Mr. Speaker, the President's action yesterday in directing a halt in the dumping in the Great Lakes by the U.S. Corps of Engineers is, of course, a welcome decision. The editorial today in the Chicago Tribune is an excellent one and I commend the reading of this editorial to my colleagues:

OUTLAWING DUMPING IN THE LAKES

When President Nixon was in Chicago to discuss pollution problems several weeks ago he emphasized that the federal government can't expect to be a pollution watchdog and a major polluter at the same time. Now Mr. Nixon has backed his words with action in asking Congress to outlaw dumping of polluted dredgings into the Great Lakes, starting with the 35 most polluted harbors. One of the most persistent polluters of the lakes has been the army corps of engineers, which for a century has been fouling the waters with dredgings that include silt, grease, oil, and other forms of harmful industrial contaminants.

The bureau of the budget has already instructed the army engineers to stop using the lakes as a dumping ground. The President wants Congress to enact a law to make the prohibition permanent. Land disposal sites would have to be found. Under the President's plan the states and other nonfederal interests would pay half the cost of building containment areas and also provide land and other rights.

This is no more than fair, inasmuch as dredging operations by the corps have constituted a federal subsidy to states, cities, and private industries which benefit from the clearing of harbors and navigable streams. Construction of facilities in the 35 most polluted harbors is estimated to cost 70 million dollars, of which the federal government would pay half.

Mr. Nixon also ordered a special study, to be completed by Sept. 1, on dumping dredgings, sludge, and other materials into the oceans. The oceans offer no more satisfactory dumping grounds than the lakes, as is illustrated by the President's estimate that in the New York area alone the amount of annual dredgings would cover all of Manhattan to a depth of one foot in two years.

There is no reason for Congress to haggle over the President's request for legislation in this matter. It's an obvious step that should have been taken long ago.

IT IS TIME TO OVERHAUL FARM SUBSIDIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. CONTE) is recognized for 20 minutes.

Mr. CONTE. Mr. Speaker, on March 26 I expressed my disappointment that Agriculture Secretary Clifford M. Hardin has given no indication that he is prepared to put an end to the scandalous farm program giveaways of recent years. I again call attention to what I said at that time, that the list of 8,413 so-called farmers who received checks of $25,000 or more from the 1969 farm subsidy program actually includes many nonfarm corporations such as Standard Oil, Reynolds Aluminum, a number of banks, several State prisons, and even State governments.

I had the names and addresses of the entire list inserted in the CONGRESSIONAL RECORD, No. 46, part II, Tuesday, March 24, 1970, page 9129. Clearly many of these large payments go to corporations and large landowners. Yet these farm subsidy programs are defended as needed to protect hard pressed family farmers. How far they have been diverted from their original purpose.

I want to announce today, Mr. Speaker, that my staff has made a further study of recent trends in large farm subsidy payments, and I am shocked by what they found. The number of corporations and individuals receiving $25,000 or more in farm subsidy payments has increased by some 60 percent since 1966. The increase in 1969 over 1968 alone was 30 percent.

The number of corporations and individuals receiving farm subsidy checks in excess of $25,000, 1966 to 1969, is as follows:

1966	5,306
1967	6,536
1968	6,500
1969	8,413

In the face of this dramatic evidence that this runaway program has become more and more costly, it is simply unjustifiable that Agriculture Secretary Hardin has now pledged to maintain payments essentially at 1970 levels for another 3 years.

Over 80 percent of these corporations and individuals receiving large payments receive most of their subsidy from the cotton program. Six of the eight corporations who received checks in excess of $1 million in 1969 obtained most of their subsidies under the cotton program, the other two were sugar producers. Nine of the 14 who received checks of $500,000 to $999,999 obtained most of their subsidy from the cotton program, four from the sugar program, and one—State of Montana—mostly from wheat.

Sugar legislation expires next year. When it comes up for renewal I plan to offer a subsidy limitation comparable to the one which we finally enact later this year for cotton, feed grains, and wheat.

Returning to these latter programs, I call your attention to the further increase in cotton and wheat payments this year. According to estimates by the Department of Agriculture, wheat producers who received $856 million in subsidy payments in 1969 are scheduled to receive $900 million in 1970. Cotton producers who received $822 million last year are scheduled to receive $902 million this year.

Since 1966, cotton and wheat subsidies have increased as follows:

Year	Program payments	
	Cotton	Wheat
1966	$773,000,000	$679,000,000
1967	932,000,000	731,000,000
1968	787,000,000	747,000,000
1969	822,000,000	856,000,000
1970 (estimate)	902,000,000	900,000,000

When the Agricultural Act of 1965 was passed we were told cotton producers must be paid subsidies for diverting a part of their cotton lands so that accumulated Government surpluses of cotton could be liquidated. These Government surpluses were liquidated 2 years ago, and now we are told subsidy payments must be increased to assure the production of adequate supplies of cotton for domestic mills and for export.

Although total cotton subsidies are about the same as total wheat subsidies, in percentage terms cotton producers have received much larger subsidies than the producers of other major crops.

Government payments as a percentage of the value of the crop produced, 1966–70, for the cotton, wheat, and feed grains programs, are as follows:

Year	Government payments as percent of value of crop		
	Cotton	Wheat	Feed grains
1966	77	32	19
1967	98	34	13
1968	65	38	21
1969	76	48	24
1970 (estimate)	71	54	22

These figures mean, taking 1969 cotton as an example, that for every $100 a planter received on the sale of his cotton, he also collected an additional $76 in subsidy payments. When you consider how many times these figures are multiplied in the case of the millionaire farmers, this is damning evidence of the crying need to overhaul this runaway program.

Farm program payments, including sugar, wool, and conservation payments, are expected to equal or set a new record in the 1970 crop year totaling about $3.7 billion. In spite of the fact that subsidies are now at record levels and an increasing share of them are going to large corporations rather than farm families, as I have already indicated, Secretary Hardin has informed Members of Congress that the administration is willing to commit itself to a continuation of cotton, feed grain, and wheat payments at 1970 levels for another 3 years. And he proposes that any corporation or individual may receive payments up to $110,000 under each of the three programs, in addition to any subsidies they may receive under the wool, sugar, and conservation programs.

Mr. Speaker, I do not pose as an expert on farm problems. The farmers in my congressional district get very little benefit from these farm subsidies and

I became concerned about them only when I learned of the large payments being made to nonfarming corporations, banks, and State prisons in the name of protecting family farmers' incomes.

But the more I learn about them the more concerned I become about this waste of Government funds. I was especially concerned to learn that 62 percent of the cotton program payments, totaling $787 million in 1968, went to fewer than 35,000 (7.6 percent) of the 449,000 producers and landlords who received cotton program payments. These 35,000 largest producers received checks of $5,000 to $3 million while the other 414,000 producers received checks averaging about $700 each. Half the cotton producers received checks of less than $700 each.

I also was concerned to learn that these subsidies to cotton and wheat growers, fully half of which go to the very large farmers, now exceed 50 percent of the value of the crops they produce.

I fully recognize, Mr. Speaker, that there is no infallible rule for determining an equitable level of farm program payments. But I ask, must we continue to subsidize cotton and wheat production on very large as well as small farms in the United States, at up to twice the world price level? Should we continue to do this, even though Government funds are urgently needed for other rural programs, and consumers are clamoring about high meat prices? Why not shift some of these funds to rural housing and some of this acreage to forage crops and meat production?

In my opinion, the American people will not stand for another 3 years of these programs which include payments of up to $4 million to a single corporation at a time when the family's weekly meat bill is setting new records.

Mr. Speaker, earlier this week I announced in a letter to my colleagues who supported me so strongly the past 2 years that this year I intend to offer an amendment to the 1970 farm bill limiting payments to individual producers to $10,000 per crop. Because this amendment will be different in form than the straight $20,000 limit on total payments which has twice passed the House, I took some time to explain my new proposal in that letter.

For the benefit of those who opposed my earlier efforts or who have not voted on this question, I include a copy of that letter at the close of my remarks. I also include a table indicating the very small numbers of farmers who will be affected by my proposal in each State.

Before closing, Mr. Speaker, I want to remind my colleagues that the farm bill will be reaching the floor soon. I welcome this, not only because of the need to take action on farm legislation, but also because we will finally be able to take action on new food stamp legislation which has unnecessarily been tied to the farm bill.

The apparent impetus for this sudden burst of energy on the part of the House Agriculture Committee is Secretary Hardin's recent promise to maintain current payment levels for the next 3 years.

Whatever the reason for its imminent arrival, however, I am confident we will give this legislation the reception it deserves. We must once again make clear that this body will no longer support a farm program that permits giant corporate farmers to rake in millions, while little is done to assist the small- and middle-sized farmers who truly need our help.

The letter referred to follows:

CONGRESS OF THE UNITED STATES,
Washington, D.C., April 14, 1970.

DEAR COLLEAGUE: A year ago I was proud to have your support when my amendment limiting total farm subsidy payments to $20,000 per producer passed the House by a vote of 224 to 142. The amendment's 82-vote margin reflected the growing popular demand for eliminating the scandal of these huge payments; my similar amendment in 1968 passed by a margin of 70 votes.

While those efforts failed to persuade the Senate, I intend to renew my fight for this needed reform when the farm bill comes up for consideration soon—possibly as early as next week—and once again I hope to have your support.

In addition to soliciting your continued support, I want to advise you that I have decided to offer a more comprehensive amendment this year. It would limit payments to individual producers of cotton, wheat and feed grains to $10,000 per crop, and, at the same time, make certain other changes to assure that this limitation can be administered in the most effective fashion.

There are two principal reasons why I have decided to take this different approach.

First, in contrast to my past amendment limiting total payments to $20,000 which would have saved $200,000,000, this limit of $10,000 per crop will save between $250,000,000 and $300,000,000.

Secondly, agricultural experts at the Department of Agriculture and elsewhere have advised that a separate limitation on payments for each crop is preferable to a simple limitation on total payments for all crops. It would greatly simplify administration and, at the same time, simplify planning for those farmers who plant more than one of the three subsidized crops.

Recently, in testimony before the Senate Agriculture Committee on March 23, 1970, Secretary Hardin himself said that to make the limitation "administratively feasible," it should be "applied crop by crop instead of producer by producer. Some farmers produce several supported crops; if the limitation were applied to the farmer instead of to each of his respective crops we would have very great difficulty in knowing how the wheat program and how the cotton program should be administered on a particular farm, while staying within the total limitation."

The details of my new proposal were explained in my testimony before the House Agriculture Committee on July 21, 1969. I inserted this testimony in the CONGRESSIONAL RECORD, volume 115, part 15, page 20190, and I hope you will take the time to give it your consideration. The only change in my position between then and now is that I have since decided not to press for a $5,000 *per crop* limit which I advocated earlier. While I am still assured that this lower ceiling level is feasible, I have been persuaded that the $10,000 *per crop* limitation is more realistic.

Finally, I want to stress that my proposal would have no effect on the small- and medium-size farmer who really deserve and need federal assistance. Nationwide, less than one percent of all farmers would be affected by this amendment. A $10,000 payment limitation would affect about 3.4 percent of the cotton producers, 0.6 percent of the wheat producers and 0.4 percent of the feed grain producers.

I thank you for your patience with this lengthy letter. I hope you will agree that this new, more comprehensive approach is preferable to a simple limit on total payments. When the farm bill reaches the floor, once again, I hope we can work together.

With my best wishes, I am

Cordially yours,

SILVIO O. CONTE,
Member of Congress.

PRODUCERS RECEIVING $10,000 OR MORE FROM SPECIFIED PROGRAMS, 1968

State	3 programs	Cotton	Feed grain	Wheat
Alabama	744	723	21	
Arizona	846	802	38	6
Arkansas	1,576	1,571		5
California	1,670	1,564	31	75
Colorado	431		107	324
Delaware	4		4	
Florida	31	14	17	
Georgia	656	555	100	1
Idaho	310			310
Illinois	577	1	570	6
Indiana	371		369	2
Iowa	760		759	1
Kansas	837		222	615
Kentucky	49	6	42	1
Louisiana	687	682	4	1
Maryland	11		11	
Michigan	42		40	2
Minnesota	217		191	26
Mississippi	2,209	2,202	5	2
Missouri	588	231	352	5
Montana	799		3	796
Nebraska	587		509	78
Nevada	15	11		4
New Jersey	3		3	
New Mexico	521	224	221	76
New York	8		7	1
North Carolina	215	163	52	
North Dakota	334		4	330
Ohio	133		129	4
Oklahoma	381	144	18	219
Oregon	304		1	303
Pennsylvania	16		16	
South Carolina	539	519	20	
South Dakota	141		57	84
Tennessee	357	341	16	
Texas	7,315	5,342	1,411	562
Utah	39			39
Virginia	15	2	13	
Washington	967		3	964
Wisconsin	62		62	
Wyoming	19			19
U.S. total	25,386	15,097	5,428	4,861

THE DAY THAT LINCOLN DIED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. MICHEL) is recognized for 15 minutes.

Mr. MICHEL. Mr. Speaker, I had intended to make these remarks on yesterday but was foreclosed from doing so because of a lack of a quorum in the waning hours of the session.

In any event, yesterday marked the 105th anniversary of the death of my home State's most famous son and a man that I, along with many others, consider to be our greatest President, Abraham Lincoln.

Volumes and volumes have been written about his early life, the years of his Presidency, and the events leading up to his tragic death but not much is known about the owner of the home in which President Lincoln died.

Mr. Svend Petersen has written an interesting article providing some significant facts about Mr. William Petersen, owner of the home which has become a popular tourist attraction in Washington and I insert the article in the RECORD at this point:

THE DAY THAT LINCOLN DIED

(By Svend Petersen)

With your wife away on a visit, what would be your reaction if about ninety unexpected callers entered your home after ten o'clock in the evening and many of them remained all night? That was the experience of William Petersen, a long-time resident of Washington, on an eventful spring evening over a century ago.

Probably only a small fraction of the thousands who visit our nation's capital are aware of the existence of the Petersen House at 516 Tenth Street in downtown Washington. This three-story brick building lacks the impressive size and architectural splendor of the points of interest that attract most tourists.

It was to this house that Abraham Lincoln was carried on the night of April 14, 1865, after he had been shot by John Wilkes Booth. It was then numbered 453. The story of the assassination has been told countless times by many writers, but almost nothing has been written about the man who played host to the Great Emancipator on that terrible Good Friday evening.

Wilhelm Petersen was born in Hanover August 16, 1816, and was therefore a subject of George III who was also King of England. Early in 1841 Petersen, his wife Anna, and 141 other passengers sailed from Bremen on the *Europa*. They landed at Baltimore June 23d. Shortly thereafter Petersen set up a tailoring establishment in Washington.

On June 4, 1844, the tailor, who had anglicized his first name, went to the District of Columbia Circuit Court, where he declared on oath that it was "his intention to become a citizen of the United States of America and to renounce and abjure all allegiance and fidelity to every foreign Prince, Potentate, State, and Sovereignty whatsoever, and particularly to the King of Hanover." Ernest Augustus had become ruler of the Teutonic monarchy when Victoria ascended the English throne, as a woman could not reign over Hanover.

Henry Munck, an American citizen, accompanied Petersen to the Circuit Court November 30, 1846, and swore that he was well acquainted with him, that he had resided within the United States for at least five years without having been outside the country during that time, and that he had lived for at least the past year in Washington. Munck further deposed "that during the whole of that time, he has behaved as a man of good moral character attached to the principles of the Constitution of the United States, and well disposed to the good order and happiness of the same." Petersen then became an American citizen.

The census of 1860 lists seven Petersen children, all of whom were born in Washington: William F., sixteen, Louise A., thirteen, Ferdinand, eleven, Pauline, eight, Charles W., five, Anne, two, and Julia, three months. The two youngest died February 8, 1863.

As the Petersens did not need all the space in their house, they rented out rooms. The lodgers at the time of the assassination included William T. Clark, Thomas Proctor, Hiram S. Safford, and Henry and Julius Ulke. The first three were stationed at the War Department, while the Ulkes, who were brothers, were portrait-painters and photographers.

The room occupied by Clark was the one in which Lincoln died. It had previously been rented by John Matthews, an actor whom Booth had tried unsuccessfully to enlist in the conspiracy. Booth wrote a letter to the editor of the Washington *National Intelligencer*, in which he tried to justify the mad deed he was about to commit, and asked Matthews to deliver it on Saturday.

Matthews, who was ignorant of the missive's contents, opened the envelope as soon as he heard that Booth had shot Lincoln and read the inclosure. Fearing that he would be implicated in the plot, he burned the letter. According to one writer, Matthews was still living at the Petersen house and it was there that he destroyed the incriminating evidence.

William J. Ferguson, another actor and a chum of one of the Petersen boys, used to deliver acting parts to Matthews and other thespians while Matthews occupied the room later taken by Clark. In his book about the assassination Ferguson said, "On the occasion of one of these visits I saw John Wilkes Booth lying and smoking a pipe on the same bed in which Mr. Lincoln died."

On the night of April 14, 1865, Mrs. Petersen was in Baltimore on a visit. When the men who were carrying the unconscious Lincoln across Tenth Street from Ford's Theatre asked, "Where shall we take him?" Petersen was standing on the front steps of his house, holding a lighted candle. He motioned for the bearers to enter, while he himself rushed into the house, shouting, "The President is coming!"

The dying Lincoln was placed on Willie Clark's bed and the tiny room was soon filled with physicians, politicians, and others who had been attracted by the excitement. The Ulkes made night-long trips up and down the basement stairs, refilling bottles with hot water; the bottles were laid along Lincoln's limbs in the hope of relaxing their rigor.

During the nine hours that the President lay dying, a multitude invaded the house. There were at least eighty-seven visitors. They included the President's wife, his oldest son, at least nine physicians, six of the seven Cabinet members, the Vice President, the Chief Justice, the Speaker of the House of Representatives, several Senators, sundry other politicians, numerous soldiers from privates to generals, members of the cast of "Our American Cousin," and many others.

Albert Berghaus, an artist for Frank Leslie's Illustrated Newspaper, sketched the death-scene, being assisted by the Ulkes and Clark; the latter remembered the positions of those who stood around the dying President. The Ulkes and Clark joined Peterson, Proctor, and Safford in attesting Berghaus' artistic accuracy:

"We, the undersigned, inmates of No. 453 10th street, Washington, D.C., the house in which President Abraham Lincoln died, and being present at the time of his death, do hereby certify that the sketches taken by Mr. Albert Berghaus, artist for Leslie's Illustrated Newspaper, are correct."

Leslie's included a few kind words for the tailor's rooming-house:

"We think it right to name here that Mr. Petersen's house, in which the President died, is one of the most respectable houses in Washington, and not a tenement house, as stated by some papers.

"Our artist, Mr. Berghaus, . . . wishes us to state that the house in which the President died is one of the highest of its class in Washington."

William Petersen died June 18, 1871. His wife passed away the following October 18th; both are buried in Prospect Hill Cemetery, at North Capitol Avenue and W Street, in Washington.

According to the 1850 census, the value of the house which the tailor had built the previous year was $3,000. Ten years later it was $5,000 and in 1870 it was $8,000. By the time the five surviving Petersen children sold the house on November 25, 1878, the price had dropped to $4,500. The United States government purchased the building in 1896.

ATTORNEY GENERAL MITCHELL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. POFF) is recognized for 15 minutes.

Mr. POFF. Mr. Speaker, Attorney General Mitchell has just released his annual report for 1969. I commend to all of my colleagues this documented record of solid achievement by the Justice Department in its first year under the new Attorney General.

The introduction to the report is a statement by the Attorney General setting forth his views on the role of the Department, and properly complimenting the people at Justice for their assistance and cooperation in the year's work. I think that the statement is also worthy of our attention, and I, therefore, include it in the RECORD at this point:

INTRODUCTION

This year of transition posed special challenges to the Department of Justice and the Attorney General. Imaginative new programs were initiated in response to pressing needs of the nation. At the same time, the Department improved and expanded existing services provided under the broad range of responsibilities of its divisions, bureaus and offices.

As the primary federal agency obligated to protect the legal rights of individuals and of society, the activities of the Justice Department provide a basic stability to the fabric of American life based on the protections offered by the Constitution, congressional statutes and administrative regulations.

I am proud of the record of the Department of Justice in this difficult year. New appointees have taken up their responsibilities with enthusiasm and energy, and career employees have responded with dedication and loyalty to new policies.

Perhaps at no time in recent history has the Department of Justice faced so many pressing and complex challenges. Because the demands on our resources are so great the Department has selected three major priorities:

1. The war against crime—street crime, organized crime, narcotics crimes, pornography and crime in the District of Columbia.

2. Civil Rights—the assurances that all of our citizens regardless of race will have the opportunity to enjoy American prosperity: to be well-educated, to have full access to satisfying job opportunities, to live in a home of their choosing and to freely exercise their political rights.

3. Economic rights—to assure that our citizens are able to purchase the best goods and services at the most reasonable prices by strictly enforcing laws which encourage competition and by drafting a new program for consumer protection.

As the following report reveals, every Division and Bureau has made its unique contributions to a year of accomplishment in which everyone in the Department can take pride. This review of the year does not attempt to catalogue the thousands of criminal and civil cases in which the Department's attorneys have participated, nor to list in detail the hundreds of actions involving administrative personnel. It does, instead, summarize and highlight the major accomplishments typical of the year just past and most illustrative of the continuing work of the people of Justice.

Some of the record of the last year deserves special attention. For example:

Organized crime has begun to feel the heavy impact of concerted action by special organized crime units in major cities operating under the coordinated control of Criminal Division attorneys ably assisted by experienced prosecutors and investigators from a number of Federal agencies.

New legislation has gone to the Congress offering imaginative, workable new approaches to criminal investigation, bail reform, equal justice and the special problems of the District of Columbia.

The Antitrust Division has embarked on promising efforts in assuring protection of the public in the growing field of conglomerate type business organizations, while assuring the businessman of prompt decision and clear-cut guidelines as to acceptable practice.

The Land and Natural Resources Division has established significant precedents in protection of the public interest in environmental pollution and undersea resources.

The Bureau of Narcotics and Dangerous Drugs has put a variety of new domestic and international pressures on traffic in drugs of all types both into and within the United States with particular emphasis on protection of young people from its ravages.

The Civil Rights Division has been instrumental in making the biggest inroads in any single year or imbalance of opportunity not only in education but equally in housing and job opportunities.

The Law Enforcement Assistance Administration became a functioning reality, with $236 million budgeted to the 50 states to permit them to plan and carry out programs which each has developed to meet its own particular needs.

The Bureau of Prisons has vastly improved its rehabilitative services to adult and youthful offenders, with education, training and service to the inmate being returned to society receiving increasing emphasis.

The Civil Division has handled a record caseload, in an increasingly complex atmosphere of responsibility for serving Federal agencies with distinction and marked success.

The Administrative Division serviced the significant burden of the transition between Administrations, changes in personnel and institution of new programs while at the same time carrying out important internal management reform resulting in measurable economies.

The Immigration and Naturalization Service extended speedier, simplified port-of-entry service to hundreds of thousands of travelers while at the same time efficiently handling a steady flow of immigrants in all categories from throughout the world.

And the Federal Bureau of Investigation again added to its unique record as the nation's most effective law enforcement agency, making particularly important contributions to assisting and improving the work of state and local police forces.

But this year cannot really be measured on a balance sheet in the Department. It can be judged best in its response to the role allocated by the President of the United States—to assure the administration of justice in all its aspects in a balanced fashion, equal for all and equally accessible to all. This last has been a year of clarification of purpose and intensification of priority; a year of assessment of role and a year of careful allocation of resources.

The traditions of the Department of Justice represent some of the finest in the history of Government and of the Law. Over the decades, this Department has provided the stable thread of judicious continuity that has been the firmest underpinning of the American system. In the transitional year just past, the Department has renewed that tradition and refreshed that philosophy.

Certainly the combination of outstanding new appointees and experienced professionals now functioning smoothly together in every Division and Bureau well represents that tradition at its finest. Those of us who joined the Department in the last year have forged a working relationship with the career staff second to none in the Government. Across the whole spectrum of its responsibilities the Department is acutely, professionally responsive to the law, its enforcement and its administration.

Personally, I take great pride in the people of the Department of Justice and look forward to working with them in the years to come in creative growth of the protections afforded all Americans by the cumulative development of Federal statutes. It is the Department of Justice which has the responsibility for insuring that enforcement of one segment of the law, in behalf of one group or individual, does not deny the protection of other rights and statutes to still other groups; it is this Department which emphasizes the basic stability of society and its institutions in a changing nation and world.

That challenge, I am confident, we have met in the last year and will continue to face confidently in the future.

JOHN N. MITCHELL,
Attorney General.

The report spells out in detail the many advances made in pursuance of Mr. Mitchell's aim of rededicating the Department to the concept of being a law enforcement agency for the protection of citizens' rights. Prominent among them were:

A revitalized and greatly expanded war on organized crime and narcotics crimes. This included the deployment of more personnel in major metropolitan areas, record budgetary requests and requests for new laws.

A major offensive against street crime with a $268 million appropriation for the Law Enforcement Assistance Administration. Most of this money will go to State and local governments for the improvement of police and the administration of justice systems.

An aggressive economic policy to protect the consumer. This included new action against illegal economic concentration and an imaginative proposed consumer protection act.

A successful policy of civil rights enforcement. This included more desegregation of schools than occurred in any previous fiscal year and an increase in cases filed in housing and other areas.

Mr. Speaker, the record made by the Department of Justice in a transitional year under a new administration is of course a tribute to the whole Department but it is primarily a tribute to the leadership abilities of the Attorney General. John Mitchell deserves our applause, as well as our support for his future efforts.

ATTORNEY GENERAL MITCHELL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. RHODES) is recognized for 5 minutes.

Mr. RHODES. Mr. Speaker, when Attorney General Mitchell took the reins of the Department of Justice in January 1969, he established three priority areas for the Department: the protection of society from street criminals and organized criminals, the protection of minority rights, and the protection of free competition.

In his quiet but forceful manner, he has led the Department to significant advancements in all three areas. But I think that if there is one area in which he will go down in history as a champion of the people, it will be as the leader of the administration's fight against organized crime.

President Nixon told us a year ago in his message on organized crime:

> For two decades now, since the Attorney General's Conference on Organized Crime in 1950, the Federal effort has strongly increased. Many of the nation's most notorious racketeers have been imprisoned or deported and many local organized crime business operations have been eliminated. But these successes have not substantially impeded the growth and power of organized criminal syndicates. Not a single one of the 24 Cosa Nostra families has been destroyed. They are more firmly entrenched and more secure than ever before.

The President directed Mr. Mitchell to mount a massive and coordinated attack upon organized crime across the Nation.

The recently publicized indictment by a Federal grand jury of the head of one of the Cosa Nostra families provides a clue to some of the accomplishments in the last year:

The establishment of 13 permanent Federal racketeering field offices in major organized crime areas of the country, uniting professional investigators and attorneys from the Department of Justice, the FBI, the Internal Revenue Service, the Secret Service, the Bureau of Customs, the Bureau of Narcotics and Dangerous Drugs, and the postal service, in a coordinated effort in those areas;

For the first time in history, the Federal Government sponsored training conferences on organized crime, bringing together police, prosecutors, judges,

and criminal justice planners from 35 States;

The installation of a prototype computerized intelligence system to house detailed information on the membership and concentration of organized crime nationally;

Assistance on a massive scale to State and local efforts to combat the menace of organized crime; and

The initiation of research projects on organized crime by the Department's National Institute of Law Enforcement and Criminal Justice.

Positive results of the new efforts are beginning to surface. Thanks to the full use of the electronic surveillance techniques authorized by the Omnibus Crime Control and Safe Streets Act, one of the largest bookmaking rings on the east coast, handling an estimated $60 million a year in wagers, was broken. Fifteen members of the ring were arrested by the FBI and are awaiting trial.

The heads of six Cosa Nostra families, including the one I mentioned before, plus a number of their lieutenants and henchmen, are now awaiting trial on Federal charges. More than 900 other hoodlum, gambling, and vice figures are also awaiting trial.

This is but the beginning of the fight against organized crime. With Mr. Mitchell on the job, I am confident that the results in the years ahead are going to be striking. He deserves the support of each of us.

ATTORNEY GENERAL JOHN NEWTON MITCHELL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. KYL) is recognized for 5 minutes.

Mr. KYL. Mr. Speaker, I rise today to make a few remarks concerning the Attorney General of the United States, the Honorable John Newton Mitchell.

This week's edition of Life magazine contains an editorial which calls for the resignation of the Attorney General following the defeat of this administration's second Supreme Court nominee. I would like to express strong disagreement with the position of the magazine. What this Nation needs is not the resignation of this dedicated man, but the appointment of a dozen like him to positions of responsibility.

In just a little over a year the Attorney General has turned the Department of Justice and the law-enforcement activities of the Government around. No longer are we coddling criminals and going overboard to protect the rights of individuals while the rights of society in general are trampled underfoot. No longer are we permitting the civil rights of a few to undermine the civil rights of the many. The Attorney General is seeing that a fair and evenhanded policy is applied to all of our citizens, one not outweighing the other—law-abiding citizen and criminal, white parent and black student. Mr. Mitchell is looking out for all our citizens, not just a few.

Nowhere is the evenhandedness of this Attorney General more apparent than in the field of antitrust law enforcement. From my observations of the Department of Justice since January 1969, I discern four broad policies at work in the field of antitrust law in this administration. First, an attempt to preserve a competitive market structure and to prevent markets and the economy in general from being subjected to undue economic leverage. Second, a drive against anticompetitive business practices wherever they may exist. Third, a campaign to persuade regulatory agencies throughout the Government that competition should be allowed to operate as a regulator. And finally, the pursuit of the idea that the antitrust laws can be used as a significant weapon in the fight against organized crime.

These policies in the antitrust field I think clearly exhibit the chief characteristic of this Attorney General and the Department of Justice under his leadership: a willingness to use every tool available; a willingness to try new ideas and approaches to make our laws serve the legitimate interests of the most people. Mr. Mitchell and his antitrust chief, Richard McLaren, have taken a fresh look at the antitrust problems facing our economy and have set out to use our existing laws to solve these problems. This is just one example of the creative innovative leadership now at the Department of Justice. Equally exciting new programs are underway throughout the Department.

Be it in the field of crime, or civil rights, or economic policy, or any other, John Mitchell has not shrunk from the hard tasks, has not shilly-shallied on the hard decisions which confront him. He has come down hard on lawbreakers of every stripe or region in his attempt, which I applaud, to make this truly a Nation of laws. It is my hope that the Attorney General will be around for many years to come.

STATE TAX WITHHOLDING FOR CAPITOL EMPLOYEES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. HOGAN) is recognized for 10 minutes.

Mr. HOGAN. Mr. Speaker, yesterday I introduced a bill which authorizes the Architect of the Capitol to enter into agreements with the States of Maryland and Virginia to withhold State income taxes from the pay of those employees under his jurisdiction who voluntarily agree to such action. This will cover employees of the Office of the Architect of the Capitol in all buildings and facilities, employees of the Senate and House Restaurants, and employees of the U.S. Botanic Garden, which is operated by the Architect of the Capitol as "Acting Director."

At the present time, no such tax can be withheld because the Architect of the Capitol lacks the legislative authority to do so. At the same time, however, the payroll systems of the Architect's Office and the Botanic Garden are equipped to permit such deductions to be made without requiring any additional equipment or changes in existing payroll procedures. Inasmuch as the Architect already has the authority and currently withholds such tax for the residents of the District of Columbia, an extension of this convenience to residents of Maryland and Virginia is only fair and reasonable.

In a letter to Chairman WILBUR MILLS of the Ways and Means Committee, J. George Stewart, Architect of the Capitol, pointed out:

> Approximately 2,000 employees work under my jurisdiction in these facilities, of which about 875 reside in Maryland or Virginia.

He also stated that enactment of legislation offering these employees the opportunity of having their State income taxes withheld at the source "would be of great benefit to them and to the two States involved," and thereafter recommended the enactment of legislation authorizing this deduction of tax.

In the last few weeks, I have received approximately 200 letters and phone calls from employees of the Architect of the Capitol who have requested me to take action to accomplish the enactment of legislation to permit these payroll deductions which, as they state, "is the best and most convenient way to assure the State of its money and to ease the budget of a working man." I am forwarding these letters to Chairman MILLS with my request for prompt consideration. If enacted into law soon, with the Architect being in a position to immediately institute such deductions, this action will permit the withholding of tax on a substantial portion of the employees' income for calendar year 1970.

With the filing of our State taxes for 1970 still fresh in our memories, I feel sure every Member here will sympathize with what I am trying to do. It is also my intention to investigate the similar situation which exists with regard to employees under the Clerk of the House and the Members and officers under the jurisdiction of the Sergeant at Arms.

If I find that corrective legislation is necessary, I will introduce a bill to achieve that end.

ACP FUNDS NEEDED IN UTAH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Utah (Mr. BURTON) is recognized for 15 minutes.

Mr. BURTON of Utah. Mr. Speaker, I have received numerous letters in recent weeks regarding the lack of funding in the 1971 agricultural budget for the Agricultural Conservation Program. This beneficial, low-cost program is very popular in Utah and throughout the country, and I believe the $185 to $200 million expended for it each year is money well spent.

In Utah, 5,147 farms participated in the 1969 ACP and carried out 36 different kinds of conservation practices which treated or directly served about 564,000 acres of cropland, pasture, and woodland. Farmers and the ACP invested close to $2.4 million in their equal part-

nership in this public-benefit effort last year.

Major ACP practices carried out in the United States and Utah included: 9.5 million acres of enduring cover for soil or watershed protection or needed land-use adjustment, with extensive antipollution benefits. Utah: 35,000 acres.

There are 4 million acres directly served by 45,000 water storage reservoirs which control erosion, bring about desirable land use adjustments, conserve scarce irrigation water, or enhance fish and wildlife habitat—which also provide widespread and improved outdoor recreational opportunities for farm and local nonfarm people. Utah: 44,000 acres served; 175 water storage reservoirs.

There are 4.2 million acres served in a similar way by other water developments such as springs, wells, pipelines, and other small structures. Utah: 37,500 acres served.

There are 0.8 million acres served by standard and diversion terraces which control erosion, manage water safely, and otherwise stabilize land and reduce pollution of streams. Utah: 2,700 acres served.

There are 1.9 million acres of competitive shrubs controlled on range or pasture which permit growth of adequate cover for erosion control and to conserve water. Utah: 15,000 acres treated.

The ACP emphasizes permanent-type, or enduring, conservation measures. In 1969, 87 percent of the program's cost-sharing funds were used for these practices and 13 percent for "temporary" practices. In Utah 100 percent went for enduring type practices.

In 1970, several new pollution abatement practices which produce important off-farm benefits—cleaner water, air, and soil, where agriculture-related pollutants; for example, sediment, chemicals, animal wastes, and dusts are involved. These were added on the basis of new congressional authority and have been approved in over two-thirds of the States—including Utah—with most others expected to be represented before the end of the 1970 program.

The special emergency conservation measures part of the ACP is conducted with specially appropriated cost-sharing funds to deal with problems caused on farmlands by natural disasters. In 1969 these measures treated or directly served about a million acres which had been damaged by floods, hurricanes, tornados, or other natural disasters in 201 counties of 30 States, including Utah.

The ACP provides special assistance in several other types of conservation project areas organized by local people. For example, it helps farmers in small watershed and resource conservation and development project areas feel in a position to commit themselves to carrying out needed farm and project area conservation plans and then helps them get the needed treatment on the land.

In Utah, 505 farms in 15 Public Law 566 watersheds in 14 counties received $173,000 of ACP cost-share funds in 1969. An additional 902 farms in 19 special ACP projects in 13 counties received $240,000. And 556 farms in the two counties of the Box Elder R.C. & D. project received $192,000 of such aid—a total of over $600,000.

The current interagency inventory of soil and water conservation needs shows for the United States:

[In millions of acres]

	Land in farms needing conservation treatment	Currently adequately treated	Total acreage
Cropland	277	161	438
Pasture and range	342	140	483
Woodland	285	178	463
Other land	16	40	56
Total	920	520	1,440

Sixty-four percent currently needs treatment.

Thirty-six percent is currently adequately treated—will need to continue this adequate treatment or suffer deterioration.

The current interagency inventory of soil and water conservation needs shows for Utah:

[In millions of acres]

	Land in farms needing conservation treatment	Currently adequately treated	Total acreage
Cropland	1.5	0.6	2.1
Pasture and range	7.3	1.7	9.0
Woodland	.7	3.9	4.6
Other land	.3	.7	1.0
Total	9.8	6.9	16.7

Fifty-nine percent currently needs treatment.

Forty-one percent is currently adequately treated—will need to continue this adequate treatment or suffer deterioration.

Other data follows:

UTAH.—SUMMARY OF THE 1969 AGRICULTURAL CONSERVATION PROGRAM, SECTION 1, PARTICIPATION AND PAYMENTS

Item	Unit	Regular ACP	Naval stores program	FCM F-4	Total regular, ASCP and ECM
Participating farms	Number	5,147		61	5,147
Farms participating at least once during 1965-69	do	12,260			12,260
Cost-shares	Dollar	1,207,282		42,251	1,249,533
Small cost-share increase	do	23,435			23,435
Amount transferred to SCS	do	53,750		4,800	58,550
Amount transferred to other agencies	do				
Amount used or to be used for program services	do				
Total gross assistance	do	1,284,467		47,051	1,331,518
Average per farm	do	250		771	259
Participating low-income farmers [1]	Number	50			50
Cost-shares for low-income farmers [1]	Dollar	15,149			15,149
Pooling agreements:					
Counties	Number	27		1	28
Agreements	do	199		1	200
Farms	do	3,333		61	3,394
Cost-shares	Dollar	444,114		42,251	486,365

[1] Those farmers who established eligibility for increased rates of cost-sharing under the special provision for low-income farmers.

UTAH—SUMMARY OF THE 1969 AGRICULTURAL CONSERVATION PROGRAM, SECTION 2, CONSERVATION PRACTICES, REGULAR

Practice name	Practice number	Number of counties	Number of farms	Unit	Extent	Cost-shares	Percent of State total	Average rate per unit
Permanent cover in orchards or vineyards	A-1	1	2	Acre	9	36	(1)	4.00
Permanent cover	A-2	24	240	do	5,753	26,465	2.19	4.60
Increased acreages of rotation cover	A-3	1	1	do	30	141	.01	4.70
Field stripcropping	A-6	1	2	do	284	569	.05	2.00
Trees or shrubs to prevent erosion	A-8	1	1	do	1	6	(1)	6.00
	A-8			Acres served	7			.86
Improvement of cover on rangeland	B-2	23	186	Acre	28,897	52,575	4.35	1.82
Control of competitive shrubs on range or pasture	B-3	23	100	do	15,139	31,017	2.57	2.05
Wells for livestock water	B-5	11	22	Number	18	9,255	.77	514.17
	B-5			Acres served	3,773			2.45
Springs or seeps for livestock water	B-6	11	29	Number	42	9,228	.76	219.71
	B-6			Acres served	11,434			.81
Reservoirs for agricultural uses	B-7	22	171	Number	163	115,458	9.56	708.33
	B-7			Acres served	42,676			2.71
Pipelines or other livestock water facilities	B-8	17	40	do	22,247	11,982	.99	.54
Constructing permanent fences	B-9	29	397	do	119,078	101,200	8.38	.85
Timber stand improvement	B-10	1	1	Acre	1	25	(1)	25.00
Constructing stock trails	B-11	3	8	Acres served	3,520	1,580	.13	.45
Noxious weed control	B-12	8	41	Acre	528	2,111	.17	4.00
	B-12			Acres served	4,902			.43

UTAH—SUMMARY OF THE 1969 AGRICULTURAL CONSERVATION PROGRAM SECTION 2, CONSERVATION PRACTICES, REGULAR—Continued

Practice name	Practice number	Number of counties	Number of farms	Unit	Extent	Cost-shares	Percent of State total	Average rate per unit
Permanent sod waterways	C-1	1	1	Acre	2	100	.01	50.00
	C-1			Acres served	160			.63
Permanent cover on dams and other problem areas	C-2	2	5	Acre	2	89	.01	44.50
	C-2			Acres served	419			.21
Terraces	C-4	1	19	do	2,089	13,705	1.14	6.56
Diversion terraces, ditches, or dikes	C-5	4	10	do	630	2,129	.18	3.38
Erosion control dams storage type	C-6	2	5	Number	9	2,413	.20	268.11
	C-6			Acres served	1,460			1.65
Erosion control dams other	C-6	4	7	Number	18	3,175	.26	176.39
	C-6			Acres served	1,342			2.37
Mechanical protection of inlets or outlets	C-7	8	112	Number	21	8,450	.70	402.38
	C-7			Acres served	7,112			1.19
Streambank or shore protection	C-8	10	86	do	2,379	18,837	1.56	7.92
Permanent open drainage	C-9	8	25	do	1,631	4,469	.37	2.74
Underground drainage	C-10	12	121	do	2,067	50,292	4.17	24.33
Installing or reorganizing irrigation systems	C-12	29	1,911	do	171,288	268,133	22.21	1.57
Land leveling	C-13	24	408	Acre	6,105	113,227	9.38	18.55
Irrigation ditch lining	C-15	20	1,690	Acres served	97,619	336,973	27.93	3.45
Spreader ditches or dikes	C-16	3	3	do	921	1,006	.08	1.09
Stubble mulching	E-1	1	11	Acre	1,012	556	.05	.55
County conservation practices	F-2	5	26	Acres served	6,885	11,494	.95	1.67
Practices to meet new conservation problems	F-3	2	17	do	2,047	7,659	.63	3.74
Wildlife food plots or habitat	G-1	1	1	Acre	2	292	.02	146.00
	G-1			Acres served	2			146.00
Shallow water areas for wildlife	G-2	1	1	Number	4	1,000	.08	250.00
	G-2			Acres served	500			2.00
Wildlife ponds	G-3	3	3	Number	3	1,635	.14	545.00
	G-3			Acres served	56			29.20
Total, regular		29				1,207,282	100.00	

[1] 0.005 percent or less.

UTAH—CONSERVATION PRACTICES, EMERGENCY CONSERVATION MEASURES

Practice name	Practice number	Number of counties	Number of farms	Unit	Extent	Cost-shares	Percent of State total	Average rate per unit
Emergency conservation measures	F-4	1	61	Acres served	440	42,251	100.00	96.03

LEGISLATION TO REQUIRE THE OPEN DATING OF PACKAGED FOODS—II

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. FARBSTEIN) is recognized for 30 minutes.

Mr. FARBSTEIN. Mr. Speaker, on Wednesday, Congressman JOHN E. Moss and 53 other Members of this body joined with me in sponsoring legislation to require the last date a food can safely be kept on a grocer's shelves to appear on the label of all perishable and semi-perishable foods. I first introduced this legislation on November 17 of last year.

This support follows release last week by me of two surveys of District of Columbia supermarket code dating practices, which uncovered large amounts of out-of-date food being sold. I believe the same situation exists throughout the country. Surveys conducted in Chicago have demonstrated this to be the case in that city. Other surveys are planned for New York and other cities in the near future.

The two District of Columbia surveys found that while the greatest food abuses were in stores located in low-income areas, large amounts of stale food were being sold in middle-income-area stores as well. In one store, over $300 worth of stale food, including 3-month-old bologna, was uncovered. The surveys were conducted by my staff and the Consumer Action Committee of the District of Columbia Democratic Central Committee.

Most foods sold today carry a coded date stamped by the manufacturer, wholesaler, or retailer. Consumers frequently wonder why it is that the item they buy one week may last several days, while the same item purchased another time may be stale before it is even taken out of the shopping bag. This is explained by the code on the package, which is not meant for the consumer.

Open dating gives consumers personal policing power over the sale of staple food by their local supermarkets. It does not require government action, which is susceptible to funding cuts or industry pressure. Nor does it require court intervention, which is often expensive and time consuming. It is self-enforcing.

At the same time, it must be pointed out that the sale of a food product before a date stamped on the label is no guarantee that the food will be fresh. Shelf lives are based on proper treatment of the food item and the maintenance of a particular temperature and humidity. It would remain the responsibility of the manufacturer, wholesaler and retailer to insure that the consumer was not purchasing unfit food, irrespective of the age of the product.

The bill would apply to foods, canned or packaged by the producer, wholesaler, or retail store. The Secretary of Health, Education, and Welfare would be authorized to determine how long a food could safely be kept on the shelf before it began to deteriorate.

Several municipalities now require dating of certain kinds of food, especially milk and bread. New York, for example, requires the dating of dairy products. Federal law and regulations require the dating of certain drugs and durable items.

I have found a surprising amount of support for open dating, not only from the consumer, but from the small food store operator. He gets the blame for selling stale food, but frequently does not know the manufacturer's codes, and thus has no control over food freshness. Like the consumer, he would like to know what the codes mean.

The text of the bill and a list of sponsors follow:

H.R. 17005

A bill to amend the Fair Packaging and Labeling Act to require a packaged perishable food to bear a label specifying the date after which it is not to be sold for consumption as food

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) paragraph (1) of subsection (a) of section 4 of the Fair Packaging and Labeling Act (15 U.S.C. 1453) is amended by inserting "(A)" immediately after "label" and by inserting before the semicolon the following: ", and (B) if the commodity is a perishable food, stating that it is not to be sold after a clearly specified date for consumption as food.

(b) Section 5 of such Act (15 U.S.C. 1454) is amended by adding at the end thereof the following new subsection:

"(f) For purposes of section 4(a)(1)(B) of this Act, the Secretary of Health, Education, and Welfare, in consultation with the Secretary of Agriculture, shall by regulation prescribe the manner in which the last day for the sale of a perishable food shall be determined."

(c) Section 10 of such Act (15 U.S.C. 1459) is amended—

(1) by striking out "meat or meat product, poultry or poultry product, or" in subparagraph (1) of paragraph (a);

(2) by adding after subparagraph (5) of paragraph (a) the following new sentence: "Such term includes meat or meat products or poultry or poultry products only to the extent necessary to implement the requirements of section 4(a)(1)(B)."; and

(3) by adding at the end the following new paragraph:

"(g) The term 'perishable food' means meat, poultry, fish, dairy products, eggs, fruit, vegetables, bread, coffee, and any other food that the Secretary of Health, Education, and Welfare designates as perishable."

SEC. 2. The amendments made by the first section of this Act shall take effect on the ninetieth day following the date of its enactment.

HOUSE SPONSORS

Leonard Farbstein, Democrat, of New York.
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Fred Rooney, Democrat, of Pennsylvania.
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James Scheuer, Democrat, of New York.
John V. Tunney, Democrat, of California.
Morris K. Udall, Democrat, of Arizona.
Charles Wilson, Democrat, of California.
Sidney R. Yates, Democrat, of Illinois.

CONDUCT OF ASSOCIATE JUSTICE WILLIAM O. DOUGLAS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. ABBITT) is recognized for 10 minutes.

Mr. ABBITT. Mr. Speaker, I have joined today in sponsorship of the resolution providing for appointment of a select committee of six Members of the House to investigate and determine whether Associate Justice William O. Douglas of the U.S. Supreme Court should be brought up for impeachment.

The introduction of this resolution is the culmination of a long period of careful consideration by those who have participated in its preparation. Many of us have felt for some time that very serious questions needed to be answered and have waited patiently in the hopes that some degree of resolution of these issues could be achieved apart from filing impeachment charges. Our hopes and optimism in this regard have been unfulfilled and, if anything, the situation appears to have been aggravated in recent months by activities which are borne out in the resolution.

In the beginning it should be made crystal clear that the action taken by the more than 100 Members of the House today is fully authorized and supported by the Constitution which provides in article II, section 4, that Justices of the Supreme Court shall be removed from office on impeachment for high crimes and misdemeanors and further provides in article VI that Justices of the Court shall be bound by "oath or affirmation to support this Constitution."

The actions and activities of Justice Douglas during his long tenure on the Court are far too expansive and encompassing to be cataloged here. Suffice it to say that he, perhaps more than any other Federal official, has on frequent occasions in published writings, speeches, lectures, and statements declared a personal position which increasingly places his opinion in direct conflict with accepted public policy. Incompatibility on this point could by the broadest interpretation be covered as freedom of speech. However, for one in a position of Supreme Court Justice, it is totally inappropriate and grossly improper for public pronouncements and positions to be take on matters pending before the Court.

Not only do such statements and public advocacy on controversial issues undermine public confidence in the Court but serve to create part of a growing confusion and frustration in the country at large.

It is ironical that at the same time that liberal elements in the country have been castigating recent appointees to the Supreme Court and causing irreparable harm to their personal reputations, many of the same so-called liberals come immediately to the defense of persons of liberal persuasion no matter how great have been their transgressions. It should be made clear, however, that the action taken today is not in any way a retaliation or a reaction to that which has gone on before. Consideration of this action has been in progress for many months and in my opinion is long overdue.

The Justice's publication on February 19 of the book entitled "Points of Rebellion" has brought to bear in a crystal clear way the crux of this whole issue. The views which he expresses are his own and he is perhaps entitled to an expression of these views regardless of their unorthodox character. It would seem to be totally inconsistent with the ethics of the office which he holds to participate in activities of this kind.

I have had much to say over the years about the degeneracy of the United States Supreme Court in the opinion of the vast majority of the people of this country. No longer is it the lofty tribunal it once was. It has become an object of great criticism and ridicule on the part of many people. It seems inconsistent that a standard of strictness should be applied to new appointees on the one hand and the activities of incumbent judges be completely ignored on the other.

The impropriety of this Justice's actions in so many instances is so overwhelming that I feel a select committee should be appointed and should investigate to the fullest degree the charges set forth in the resolution as well as others which have been brought to the attention of this House today and on previous occasions. No man in America has had a greater impact upon the changes in our mores, attitudes and administration of justice than has Justice Douglas and in all fairness to him and the public he serves, this question should be clarified, crystallized, and resolved now once and for all.

THE MORATORIUM, THE WAR, AND CONGRESSIONAL RESPONSIBILITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. RYAN) is recognized for 10 minutes.

Mr. RYAN. Mr. Speaker, yesterday, in over 200 towns and cities, Vietnam moratorium committee activities were being conducted by people from every walk of life. In addition, yesterday marked the end of the 3-day fast against the war which began this past Sunday evening.

The April 15 Moratorium Day brought focus on three aspects of the war: It has raised taxes; it has created the inflation which is robbing the poor, the elderly living on fixed retirement incomes, and virtually everyone else as well; and it prevents—in fact it is the object example—of the misplaced national priorities which dominate this administration.

I commend the work of the moratorium committee.

All too tragically, I fear that despite its efforts, prospects for peace soon are still very dim. This country has settled into a stultifying numbness—deploring the war, but watching with resignation the continued contortions of the administration in trying to convince us that there is light at the end of the tunnel.

Yet today the Defense Department reported 141 Americans killed last week—the highest toll in over 6 months. This is the result of the Vietnamization policy which the administration touts as the solution. It is, to say the very least, ironic that virtually the same number of men died in 1969, the first year of Vietnamization, as died in 1967, a year of escalation.

Back in the beginning, way before the death count had marched past 41,000, the United States was going to be an adviser, training the South Vietnamese army, which would take care of the rest.

Somehow, we wound up with over 500,000 American advisers in South Vietnam. Except by then they were no longer advisers; they were combat troops.

President Nixon started a course called "Vietnamization." The President, in his "State of the World" statement of Febuary 18, 1970, told us that Vietnamization "has two principal components"—the strengthening of the South Vietnamese forces and extension of the pacification program in South Vietnam. And he went on to say:

> In strengthening the capability of the government and people of South Vietnam to defend themselves, we provide Hanoi with authentic incentive to negotiate seriously now.

I confess that I do not follow this line of reasoning. If 500,000 American troops did not provide such an incentive to North Vietnam, I do not see how a reduction in American forces by token withdrawals and a purported turning over of the war to the South Vietnamese is now going to be particularly persuasive to the North Vietnamese and the NLF. This is pure pipedream, so far as I am concerned. What is more, it is a pipedream we have already engaged in. That is how we got into Vietnam in the first place—by making the South Vietnamese proxy warriors, and then taking over when they failed. What is to happen when the South Vietnamese once again are facing imminent defeat? Is the administration prepared to see its investment in Vietnamization go down the drain?

The point I am making is that until this administration decides that we do not belong in Vietnam; until it decides that the fate of that country must be decided solely by the peoples of that land; until this administration bites the bullet, to use a phrase which fits well with its military image, we are doomed to an unending war. We are doomed, and the innocent peasants of Vietnam are doomed.

So Vietnamization is no answer—it is really just a diversion. And we know enough of disappointment and despair by now to know that hard truths remain hard, no matter how prettily they are wrapped up in rhetoric.

Let us talk rather about some statistics. Let us get the real picture. The death count of American soldiers in Vietnam stands now at more than 41,000 killed in combat. We do not know the number of innocent Vietnamese civilians who have died. These poor people, concerned with the simple and fulfilling routines of tilling their land and caring for their families, are beyond the reach of even our statistic-happy Defense Department. Or perhaps they were beyond its concern.

The number of wounded U.S. servicemen is far greater—more than 270,000. Apart from the immediate pain and agony these soldiers have suffered, there is the poignant fact that 12.4 percent of the wounded thus far have received 100 percent disability ratings. These men are a monument of our Army's logistical and medical skills—81 percent of those wounded are surviving in this war, as compared to 74 percent in Korea and 71 percent in World War II. We have the helicoptors to get them to hospitals, and we have the medical aid to treat them. But we cannot replace the legs and arms with new legs and arms of flesh and blood.

These men who have died and who have been wounded deserve our gratitude and our honor. Theirs is a sacrifice for which the Nation must be indebted. But to render them our gratitude and honor is not to glorify the war; it should confirm our determination to achieve peace.

The damage is not only being endured and inflicted 10,000 miles away. The very social fabric of our Nation is being sacrificed at a cost no statistics can capture. Discontent is rife. Dissent is stifled. Inflation is galloping and it is the poor who have so little, and the aged, whose incomes are fixed, who are bearing its burden most heavily.

Billions of dollars urgently needed for our domestic needs are being diverted to the war in Vietnam. Fiscal year 1970 spending by the Defense Department exceeded $69 billion. By comparison, only $29.7 was spent by the Federal Government on aid to the poor. And of this $29.7 billion, a full $10 billion was for fixed social security benefits. A chart explaining the breakdown of these funds has been prepared by the Committee for Economic Development, comprised of distinguished members of the business and academic communities, and shows the following allocations:

Aid to the poor in Federal programs[1]

[In billions of dollars]	1970 (fiscal)
Social security	10.0
Welfare:	
Public assistance	3.9
Family assistance plan	
Nutrition:	
Food stamps	.6
Child nutrition	.5
Health:	
Medicare	2.4
Medicaid	2.1
OEO programs	.1
Employment:	
Manpower development	1.0
Unemployment insurance	.6
Employment service	.2
Work incentives	.1
Education and youth:	
Disadvantaged children	1.1
Educational opportunity grants	.1
Other	.5
OEO programs	.5
Housing:	
Public housing and rent supplements	.3
Model cities and other	.2
Other:	
Veterans' Administration	3.0
Other HEW programs	1.3
Other agencies	.5
Other OEO programs	.5
Indian affairs	.1
Rural poverty	.1
Total	29.7

[1] The poverty threshold used in calculating this table is $3,400 annual income or less for a family of 4.

Sources: U.S. Bureau of the Budget and Office of Economic Opportunity.

The Headstart program offers just one example of the misplaced priorities guiding this administration. It is asking for only $326 million for this program—a decrease of $7 million in funding—rather than enormously expanding Headstart. At the same time, the administration is requesting $71.8 billion for defense in its 1971 budget.

And all this—the deaths, the maimings, the disruption of our society, the short-changing of our domestic needs—is the price paid for a war which has never been declared by Congress. Not that any of these disasters would be more bearable if they had the official sanction of Congress. But, if the legislative branch had undertaken to exercise its responsibilities, this war might never have been. And if it would act now to stop all funding for Vietnam, the war might be ended now.

A brilliant article by Merlo J. Pusey in today's Washington Post should direct every Member's attention to this failure of congressional responsibility, this default to executive dictate. As Mr. Pusey says:

> Presidential wars are completely incompatible with our constitutional system. The only type of war that is at all acceptable as an instrument of national policy is limited war specifically authorized by Congress.
>
> If Congress were one-tenth as conscientious in preventing abuse of the war power in its area of responsibility as the courts have been in theirs, slaughter on the battlefield without any process of law would not now be the national dilemma it has become.

The article follows:

[From the Washington Post, Apr. 16, 1970]

DEFINITION OF WARS CREATES A PARADOX

(By Merlo J. Pusey)

When is a war not a war? The United States Court of Military Appeals decided the other day that the war in Vietnam is not a war for the purposes of Article 2(10) of the Uniform Code of Military Justice. But only two years ago the same court said in a different type of case that the conflict in Vietnam did constitute a "time of war" within the meaning of Article 43(a) of the military code.

If laymen are left in a state of confusion by this judicial tendency to wear different glasses in looking at the same word, it is in line with the general fogginess of our concept of war. In common usage, the word means many different things to different people, and there seems to be precious little effort at clarification. Could this be one reason why we seem to get into wars, or what are customarily called wars, so easily?

In its most recent opinion the Court of Military Appeals concluded that we are not in war now because no war has been declared by Congress. It coolly ignored the fact that 41,000 Americans have met violent death on the battlefields of Vietnam and that the conflict in that country has cost $108 billion. What, then, determines whether a major exercise in human slaughter constitutes war?

The legal complexities of the subject are the more baffling because the courts have said that some rather minor skirmishes in our history do constitute war. Back in the days of President John Adams the Supreme Court said in very positive terms that the congressionally authorized hostilities with France on the high seas were limited war. Later the Supreme Court said that acts of general hostility by Indians and the dispatch of troops to subdue them constituted a state of war. For certain purposes the Boxer Uprising in China was a time of war. So was the undeclared Korean war which some preferred to call only a police action despite its heavy toll in men and money for three years.

It is difficult to escape the conclusion that the courts allow their definitions of war to be colored by their sympathy or lack of sympathy for the statutory provisions they are called upon to interpret. In the current

Raymond G. Averette case the Court of Military Appeals was trying to keep in harmony with a series of decisions handed down by the Supreme Court in recent years sharply limiting the jurisdiction of military courts over civilians accompanying our armed forces abroad. Judges Darden and Ferguson concluded from this trend and the traditional high regard of the American constitutional system for civil rights that they should apply "a strict and literal construction of the phrase "in time of war.' "

The result was to free Averette of his court-martial conviction of attempting to steal 36,000 government-owned batteries in Vietnam. It is difficult to quarrel with this reasoning as applied in the individual case. Judge Darden's explanation is impressive.

"We emphasize our awareness that the fighting in Vietnam qualifies as war as that word is generally used and understood. By almost any standard of comparison—the number of persons involved, the level of casualties, the ferocity of the combat, the extent of the suffering, and the impact on our nation, the Vietnamese armed conflict is a major military action. But such a recognition should not serve as a shortcut for a formal declaration of war, at least in the sensitive area of subjecting civilians to military jurisdiction."

The judiciary is saying that if Congress wishes to have civilians accompanying our armed forces abroad tried in military courts in time of war, it will have to authorize the war with a clear-cut declaration. So we are confronted by a shocking paradox. A declaration of war is not necessary to compel a man to enter the armed forces and forfeit his life in many cases but it is necessary to take away a camp-follower's right to a civilian trial.

One must remember, of course, that the courts have not said that it is constitutional to conduct major wars in distant lands without authorization from Congress. Enforcement of this aspect of the Constitution has been left to Congress, and in recent decades Congress has fallen on its face every time the President has rushed American forces into costly military ventures without specific authorization.

Actually, there are several different types of war, and it would be a fatal blunder to assume that our military forces could not fight in any circumstances without a formal declaration of war. The President always has authority to repel a sudden armed attack, but this does not give him authority to go on from there and fight a major war. If continued military action seems essential, he needs specific authority from Congress, and this was the practice generally followed until the current century. The Senate Foreign Relations Committee is now trying to re-establish this principle, but it still has a long way to go.

The choice should not be between full-scale wars declared by Congress and presidential wars in which Congress does nothing more than applaud from the sidelines and dish out the money. All-out declared war may be completely obsolete because of the probability that it would lead to nuclear destruction. Presidential wars are completely incompatible with our constitutional system. The only type of war that is at all acceptable as an instrument of national policy is limited war specifically authorized by Congress.

If Congress were one-tenth as conscientious in preventing abuse of the war power in its area of responsibility as the courts have been in theirs, slaughter on the battlefield without any process of law would not now be the national dilemma it has become.

SEDITIOUS SPEECH

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

Mr. WYMAN. Mr. Speaker, today's Washington Post reports in a story by a William Chapman that in New York City yesterday, Attorney William Kunstler told a crowd of assembled people:

You must resist, and resistance means everything short of revolution—and if resistance doesn't work, revolt.

This is seditious utterance. You cannot slice the plain meaning of words thin enough to avoid the plain inference that such speech is incitement to revolution.

This man should be disbarred. He should also be prosecuted under existing statutes. Where are the enforcement officers in such circumstances? What is the bar association doing about this sort of conduct?

At the very minimum no individual should be permitted to remain in good standing as a member of the bar who incites to violence and revolt—particularly in the atmosphere that exists in this country today largely as a result of the cumulative incitements of such as Kunstler. Such conduct is in demonstrable violation of his oath as a member of the bar and an officer of the court.

NATIONAL FHA WEEK

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

Mr. BEVILL. Mr. Speaker, this week Alabama's 26,000 Future Homemakers of America join more than 600,000 other members throughout the United States in celebrating the 25th anniversary of this fine organization.

We in Alabama are proud of our FHA members, who continue to strengthen the bonds within the family, and between the family and the community.

The following article outlines the progress of Future Homemakers of America and some of the activities planned for its 25th anniversary year:

NATIONAL FHA WEEK

Alabama's 26,000 Future Homemakers of America join with more than 600,000 other members throughout the United States this week in the Kick Off of the 25th Anniversary Year. Emphasis will be given to projects and programs highlighting the 25 years of pride, purpose, and progress of Future Homemakers of America.

Ruth Stovall, State FHA adviser, points out that several million young people have been challenged by the unlimited opportunities offered through membership in Future Homemakers of America over the 25 years since its establishment as a national organization for home economics students in junior and senior high schools. She says that on this silver anniversary of this large youth organization, chapters are highlighting the twenty-five years of sterling opportunities provided through FHA for self-improvement, leadership, citizenship, community service, development of homemaking and consumer skills and preparation for a career. She says further "that Future Homemakers are proud to be a part of a national organization of 604,000 teenagers concerned with people, families, and communities."

National FHA President Luck Hendrix, a high school senior from Metter, Georgia, explains that National FHA Week provides members everywhere the opportunity to demonstrate that youth does care about improving life both now and in the future. "We know that the future is youth's challenge and that we must work for it diligently and creatively. We want all citizens of our communities to share with us the concerns of youth so that through meaningful communication we can promote understanding and strengthen our relationships.

The 26,000 members of the Future Homemakers of Alabama, like Future Homemakers of other states, elect their state and local officers, plan their meeting, develop their program of work, and plan their activities and projects.

Projects at the state and local level are carried out through the application of the National Program of Work to local situations. The 1969–73 Program of Work incorporates two objectives: To strengthen bonds within the family and between the family and the community; and to help youth comprehend the problems of society and contribute to their solutions. These objectives reflect the generosity and seriousness of FHA members, who are eager to grow in understanding and to contribute what they learn to those around them.

NATIONAL LIBRARY WEEK

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

Mr. BEVILL. Mr. Speaker, the week of April 12–18 has been set aside as National Library Week. The purpose of National Library Week is to create a broader awareness of the need for a better read, better informed America, and to encourage the habit of reading and library use.

I feel this is an admirable goal and I am happy to join the citizens of the United States in paying tribute to our librarians.

I am inserting an editorial from the Sand Mountain Reporter in my Congressional district, which explains the purpose of National Library Week:

NATIONAL LIBRARY WEEK

The week of April 12–18 this year is set aside as National Library Week. During this time the peculiarly human characteristic that accounts for all of man's accomplishment is to be commemorated—the ability to store the sum total knowledge and build new knowledge upon it.

Our libraries preserve the written word that records faithfully all that the wisest and most gifted among us have learned of the arts, of literature, of science and technology, of life, the world and the universe around us. In great libraries the record of civilization is being kept—in movies, in the sound of stereo tapes, on microfilm.

The purpose of National Library Week is to create broader awareness of the need for a better-read, better-informed America and to encourage the habit of reading and library use.

Libraries have been the cornerstone of civilization throughout recorded history. They were never more so than now. Knowledge, especially in scientific fields, expands at a fantastic rate and an education can truly never be completed but must constantly be sought throughout a lifetime of learning.

Libraries remain a primary tool of learning. During National Library Week, let us strengthen the habit of using them often and well.

NATIONAL VOLUNTEER FIREMEN'S WEEK

(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, I am very pleased to announce that 53 of our colleagues are cosponsoring legislation today which would authorize the President to proclaim "National Volunteer Firemen's Week" from September 19, 1970, to September 26, 1970.

The bills I am introducing today are companion bills to House Joint Resolution 1154, which I introduced on April 6, and House Joint Resolutions 1166 and 1167, introduced April 9, 1970.

Those joining in honoring the Nation's volunteer firemen include: Congressman J. GLENN BEALL, JR., of Maryland, DANIEL E. BUTTON of New York, ELFORD A. CEDERBERG of Michigan, DON H. CLAUSEN of California, JOHN DELLENBACK of Oregon, WILLIAM L. DICKINSON of Alabama, JACK H. MCDONALD of Michigan, THOMAS J. MESKILL of Connecticut, ROBERT H. MOLLOHAN of West Virginia, JOHN E. Moss of California, THOMAS P. O'NEILL, JR., of Massachusetts, ROBERT A. ROE of New Jersey, EARL B. RUTH of North Carolina, ROBERT L. F. SIKES of Florida, HARLEY O. STAGGERS of West Virginia, FRANK THOMPSON, JR., of New Jersey, ROBERT O. TIERNAN of Rhode Island, WILLIAM B. WIDNALL of New Jersey, CHALMERS P. WYLIE of Ohio, and LOUIS C. WYMAN of New Hampshire.

Other cosponsors are Congressmen MARK ANDREWS of North Dakota, TIM LEE CARTER of Kentucky, SILVIO O. CONTE of Massachusetts, EMILIO Q. DADDARIO of Connecticut, EDWARD J. DERWINSKI of Illinois, GEORGE H. FALLON of Maryland, KENNETH J. GRAY of Illinois, JAMES R. GROVER, JR. of New York, HAROLD T. JOHNSON of California, WALTER E. JONES of Alabama, CARLETON J. KING of New York, DAN KUYKENDALL of Tennessee, MARTIN B. MCKNEALLY of New York, CLARENCE E. MILLER of Ohio, GEORGE P. MILLER of California, RICHARD L. OTTINGER and OTIS G. PIKE of New York, RAY ROBERTS of Texas, DAVID E. SATTERFIELD of Virginia, and FRED SCHWENGEL of Iowa.

The third bill I am introducing today contains the names of Congressmen LAWRENCE BURTON of Utah, JAMES C. CLEVELAND of New Hampshire, SEYMOUR HALPERN of New York, DAVID N. HENDERSON of North Carolina, JAMES J. HOWARD of New Jersey, JAMES R. MANN of South Carolina, JAMES H. QUILLEN of Tennessee, PHILIP E. RUPPE of Michigan, JOSEPH S. KUBITZ and KEITH G. SEBELIUS of Kansas, SAM STEIGER of Arizona, ROBERT TAFT, JR., of Ohio, and RICHARD C. WHITE of Texas.

I should also mention that Congressman J. J. PICKLE, of Texas, joined me in House Joint Resolution 1167.

Mr. Speaker, as of this date, a total of 91 Members of the House have joined in the drive to honor the Nation's volunteer firemen.

TAKE PRIDE IN AMERICA

(Mr. MILLER of Ohio asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MILLER of Ohio. Mr. Speaker, today we should take note of America's great accomplishments and in so doing renew our faith and confidence in ourselves as individuals and as a nation. The United States is the world's largest producer of phosphate rock. In 1967, the United States produced 36,079,000 metric tons of phosphate rock. This was over twice as much as produced by the U.S.S.R., the second leading nation.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. MOLLOHAN (at the request of Mr. BOGGS) for today, on account of official business.

Mr. GETTYS (at the request of Mr. BOGGS), for today, on account of official business.

Mr. PATMAN (at the request of Mr. BOGGS), for today, on account of official business.

Mr. HANNA (at the request of Mr. ROYBAL), for today, on account of official business.

Mr. DINGELL for April 20 through April 27, 1970, on account of official 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. ALEXANDER) to revise and extend their remarks and include extraneous matter:)

Mr. FARBSTEIN, for 30 minutes, today.
Mr. GONZALEZ, for 10 minutes, today.
Mr. ABBITT, for 10 minutes, today.
Mr. RYAN, for 10 minutes, today.
Mr. CORMAN, for 60 minutes, on April 30.
Mr. CORMAN, for 60 minutes, on May 1.

(The following Members (at the request of Mr. COLLINS) to revise and extend their remarks and include extraneous matter:)

Mr. MICHEL, for 15 minutes, today.
Mr. POFF, for 15 minutes, today.
Mr. RHODES, for 5 minutes, today.
Mr. KYL, for 5 minutes, today.
Mr. HOGAN, for 10 minutes, today.
Mr. BURTON of Utah, for 15 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. BINGHAM to revise and extend remarks during general debate today and include extraneous matter.

Mr. MOORHEAD to revise and extend his remarks in Committee of the Whole House today and to include extraneous matter.

Mr. MILLS and to include a press release in regard to prospective hearings on trade matters.

Mr. SCHEUER (at the request of Mr. BINGHAM) to extend his remarks following those of Mr. BINGHAM, today, in the Committee of the Whole on H.R. 16311.

Mr. BEVILL, to insert his remarks immediately preceding the Committee rising.

Mr. CRANE and to include extraneous matter with remarks made during debate on H.R. 16311.

(The following Members (at the request of Mr. COLLINS) and to include extraneous matter:)

Mr. DERWINSKI in two instances.
Mr. QUILLEN in four instances.
Mr. POFF.
Mr. MIZE.
Mr. PRICE of Texas in three instances.
Mr. FRELINGHUYSEN.
Mr. PELLY.
Mr. BYRNES of Wisconsin.
Mr. HOSMER in two instances.
Mr. MCCLURE.
Mr. MCCLORY.
Mr. BROWN of Ohio.
Mr. WYLIE.
Mr. GOODLING in two instances.
Mr. MORTON.
Mr. GUDE.
Mr. SCHERLE in two instances.
Mr. BOB WILSON in three instances.
Mr. FOREMAN in two instances.
Mrs. REID of Illinois.
Mr. LANGEN.
Mr. HUNT.
Mr. DENNEY.
Mr. SPRINGER in two instances.
Mr. MCCLOSKEY.
Mr. WYMAN.
Mr. HANSEN of Idaho.
Mr. REID of New York in two instances.
Mr. ANDERSON of Illinois.
Mr. TAFT.
Mr. LUJAN in two instances.
Mr. STEIGER of Wisconsin.

(The following Members (at the request of Mr. ALEXANDER) and to include extraneous matter:)

Mr. SIKES in five instances.
Mr. FARBSTEIN in six instances.
Mr. GONZALEZ in two instances.
Mr. LOWENSTEIN in five instances.
Mr. CLAY in six instances.
Mr. ROGERS of Colorado.
Mr. RIVERS in two instances.
Mr. RARICK in three instances.
Mr. GALLAGHER.
Mr. PUCINSKI in six instances.
Mr. BOGGS in two instances.
Mr. ASHLEY.
Mr. BURKE of Massachusetts in two instances.
Mr. DENT in two instances.
Mr. MANN in five instances.
Mr. DONOHUE in two instances.
Mr. BRINKLEY.
Mr. ROONEY of New York in three instances.
Mr. EDWARDS of California in two instances.
Mr. MOORHEAD.
Mr. FOUNTAIN in two instances.
Mr. FASCELL.
Mr. HAGAN in two instances.
Mrs. GREEN of Oregon in five instances.
Mr. THOMPSON of New Jersey.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1148. An act to constitute the College of the Virgin Islands and the University of Guam land-grant colleges, and for other purposes; to the Committee on Agriculture.

S. 1814. An act to provide for public ownership of the mass transit bus system oper-

ated by D.C. Transit System, Inc., and other private bus transit companies engaged in scheduled regular route operations in the Washington metropolitan area to authorize interim financial assistance for the D.C. Transit System, Inc., pending public acquisition of its bus transit facilities, and for other purposes; to the Committee on the District of Columbia.

ADJOURNMENT

Mr. ALEXANDER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 49 minutes p.m.), under its previous order, the House adjourned until Monday, April 20, 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:

1930. A letter from the Chairman of the Public Service Commission of the District of Columbia, transmitting a draft of proposed legislation to amend section 8 of the act approved March 4, 1913 (37 Stat. 974), as amended, to standardize procedures for the testing of utility meters; to add a penalty provision in order to enable certification under section 5(a) of the Natural Gas Pipeline Safety Act of 1968, and to authorize cooperative action with State and Federal regulatory bodies on matters of joint interest; to the Committee on the District of Columbia.

1931. A letter from the Secretary of the Army, transmitting a copy of the Corps of Engineers report entitled "Dredging and Water Quality Problems in the Great Lakes" and a draft of proposed legislation to provide for construction of contained dredged spoil disposal facilities for the Great Lakes and connecting channels, and for other purposes; to the Committee on Public Works.

1932. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to eliminate the duty now applicable to natural rubber containing fillers, extenders, pigments, or rubber-processing chemicals; to the Committee on Ways and Means.

1933. A communication from the President of the United States, transmitting a proposed supplemental appropriation for fiscal year 1970 for the Veterans' Administration (H. Doc. No. 91–311); to the Committee on Appropriations and ordered to be printed.

1934. A communication from the President of the United States, transmitting an amendment to the requests for appropriations transmitted in the budget for the fiscal year 1971 for the Veterans' Administration (H. Doc. No. 91–312); to the Committee on Appropriations and ordered to be printed.

1935. A letter from the Assistant Administrator for Program and Policy, Agency for International Development, Department of State, transmitting a quarterly report on the programing and obligation of contingency funds for the second quarter of fiscal year 1970, pursuant to section 451(b) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

1936. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to extend the provisions of title XIII of the Federal Aviation Act of 1958, relating to war risk insurance; to the Committee on Interstate and Foreign Commerce.

1937. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to revise and improve the laws relating to the documentation of seamen; to the Committee on Merchant Marine and Fisheries.

1938. A letter from the Postmaster General, transmitting drafts of proposed legislation to adjust the postal revenues and to improve and modernize the postal service, to reorganize the Post Office Department, and for other purposes; to the Committee on Post Office and Civil Service.

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. HÉBERT: Committee on Armed Services. H.R. 350. A bill to amend section 39–201 of the District of Columbia Code; with amendments (Rept. 91–1007). 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. BEALL of Maryland:

H.R. 17041. A bill for the relief of the city of Frederick, Md.; to the Committee on the Judiciary.

By Mr. BRINKLEY:

H.R. 17042. A bill to provide for orderly trade in textile articles and articles of leather footwear, and for other purposes; to the Committee on Ways and Means.

By Mr. BROWN of California:

H.R. 17043. A bill to amend the Internal Revenue Code of 1954 to limit the conditions and basis of disclosure of income tax returns; to the Committee on Ways and Means.

By Mr. BYRNE of Pennsylvania:

H.R. 17044. A bill to provide for orderly trade in textile articles and articles of leather footwear, and for other purposes; to the Committee on Ways and Means.

By Mr. CONTE:

H.R. 17045. A bill to provide for orderly trade in textile articles and articles of leather footwear, and for other purposes; to the Committee on Ways and Means.

By Mr. DADDARIO (for himself and Mr. MOSHER):

H.R. 17046. A bill to establish an Office of Technology Assessment for the Congress as an aid in the identification and consideration of existing and probable impacts of technological application; to amend the National Science Foundation Act of 1950; and for other purposes; to the Committee on Science and Astronautics.

By Mr. EDWARDS of California (for himself, Mr. BURTON of California, Mr. COHELAN, Mr. GUBSER, Mr. LEGGETT, Mr. MCCLOSKEY, Mr. MOSS, and Mr. WALDIE):

H.R. 17047. A bill to provide for the establishment of the San Francisco Bay National Wildlife Refuge; to the Committee on Merchant Marine and Fisheries.

By Mr. FULTON of Tennessee:

H.R. 17048. A bill to provide for a training program for organized crime prosecutors, an annual conference of Federal, State, and local officials in the field of organized crime, an annual report by the Attorney General on organized crime, and for other purposes; to the Committee on the Judiciary.

H.R. 17049. A bill to improve law enforcement in urban areas by making available funds to improve the effectiveness of police services; to the Committee on the Judiciary.

By Mr. GARMATZ:

H.R. 17050. A bill to provide for orderly trade in textile articles and articles of leather footwear, and for other purposes; to the Committee on Ways and Means.

By Mr. HELSTOSKI:

H.R. 17051. A bill to provide for the development of a uniform system of quality grades for consumer food products; to the Committee on Agriculture.

H.R. 17052. A bill to require that durable consumer products be labeled as to durability and performance life; to the Committee on Interstate and Foreign Commerce.

H.R. 17053. A bill to require that certain short shelf-life durable products be prominently labeled as to the date beyond which performance life becomes diminished; to the Committee on Interstate and Foreign Commerce.

H.R. 17054. A bill to require that certain durable products be prominently labeled as to date of manufacture, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 17055. A bill to require that certain processed or packaged consumer products be labeled with certain information, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 17056. A bill to require that certain drugs and pharmaceuticals be prominently labeled as to the date beyond which potency or efficacy becomes diminished; to the Committee on Interstate and Foreign Commerce.

By Mr. JARMAN:

H.R. 17057. A bill 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; to the Committee on Interstate and Foreign Commerce.

By Mr. KOCH (for himself, Mr. ROE, and Mr. TUNNEY):

H.R. 17058. A bill to provide for the establishment of a Commission on Marihuana; to the Committee on the Judiciary.

By Mr. KOCH:

H.R. 17059. A bill to provide that the Federal office building at 26 Federal Plaza, New York, N.Y., shall be named the "Robert Francis Kennedy Federal Office Building" in memory of the late Robert F. Kennedy, Attorney General from 1961 to 1964 and a Member of the U.S. Senate from the State of New York from 1965 to 1968; to the Committee on Public Works.

By Mr. LANGEN:

H.R. 17060. A bill to amend the Social Security Act to extend to Indians of all tribes, under all of the existing public assistance programs, the special additional Federal matching payments presently provided only for certain specified tribes under certain specified programs; to the Committee on Ways and Means.

By Mr. PIRNIE:

H.R. 17061. A bill to provide for orderly trade in textile articles and articles of leather footwear, and for other purposes; to the Committee on Ways and Means.

By Mr. RIVERS:

H.R. 17062. A bill to authorize certain construction at military installations, and for other purposes; to the Committee on Armed Services.

By Mr. STUBBLEFIELD:

H.R. 17063. A bill to amend the Truth in Lending Act to eliminate the inclusion of agricultural credit; to the Committee on Banking and Currency.

H.R. 17064. A bill to authorize the Secretary of the Interior to designate within the Department of the Interior an officer to establish, coordinate, and administer programs authorized by this act, for the reclamation, acquisition, and conservation of lands and water adversely affected by coal mining operations, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BOB WILSON:

H.R. 17065. A bill to establish a roll of honor for American inventors, and for other purposes; to the Committee on the Judiciary.

By Mr. ALEXANDER:

H.R. 17066. A bill to provide for orderly trade in textile articles and articles of leather footwear, and for other purposes; to the Committee on Ways and Means.

By Mr. ASPINALL (for himself, Mr. ROGERS of Colorado, Mr. EVANS of Colorado, and Mr. BROTZMAN):

H.R. 17067. A bill to authorize the construction, operation, and maintenance of the closed basin division, San Luis Valley project, Colo., and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. CORMAN:

H.R. 17068. A bill to amend the Tariff Schedules of the United States to provide for a partial exemption from duty for certain transportation vehicles manufactured or produced in the United States with the use of foreign components imported under temporary importation bond; to the Committee on Ways and Means.

H.R. 17069. A bill to amend title XVIII of the Social Security Act to authorize payment under the program of health insurance for the aged for services furnished an individual by a home maintenance worker (in such individual's home) as part of a home health services plan; to the Committee on Ways and Means.

By Mr. DULSKI (for himself, Mr. CORBETT, Mr. UDALL, and Mr. DERWINSKI):

H.R. 17070. A bill to improve and modernize the Postal Service, to reorganize the Post Office Department, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. CUNNINGHAM (for himself, Mr. GERALD R. FORD, and Mr. BUTTON):

H.R. 17071. A bill to improve and modernize the postal service, to reorganize the Post Office Department, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. LUKENS:

H.R. 17072. A bill to improve and modernize the postal service, to reorganize the Post Office Department, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. HARRINGTON:

H.R. 17073. A bill to authorize U.S. participation in increases in the resources of certain international financial institutions, to provide for an annual audit of the exchange stabilization fund by the General Accounting Office, and for other purposes; to the Committee on Banking and Currency.

By Mr. NIX:

H.R. 17074. A bill to provide for orderly trade in textile articles and articles of leather footwear, and for other purposes; to the Committee on Ways and Means.

By Mr. PERKINS:

H.R. 17075. A bill to provide for orderly trade in textile articles and articles of leather footwear, and for other purposes; to the Committee on Ways and Means.

By Mrs. SULLIVAN:

H.R. 17076. A bill to provide for orderly trade in textile articles and articles of leather footwear, and for other purposes; to the Committee on Ways and Means.

By Mr. THOMSON of Wisconsin:

H.R. 17077. A bill to provide for orderly trade in textile articles and articles of leather footwear and for other purposes; to the Committee on Ways and Means.

By Mr. ADAMS:

H.R. 17078. A bill to provide for the application of the prohibitions contained in the Sherman Act to the business of organized professional baseball; to the Committee on the Judiciary.

By Mr. ANDERSON of Tennessee:

H.R. 17079. A bill to provide for orderly trade in textile articles and articles of leather footwear and for other purposes; to the Committee on Ways and Means.

By Mr. CELLER:

H.R. 17080. A bill to amend section 35 of the Bankruptcy Act (11 U.S.C. 63) and sections 631 and 634 of title 28, United States Code, to permit full-time referees in bankruptcy to serve as part-time U.S. magistrates and for other purposes; to the Committee on the Judiciary.

H.R. 17081. A bill to amend title 18, United States Code, to provide for the protection of U.S. probation officers; to the Committee on the Judiciary.

By Mr. CUNNINGHAM (for himself, Mr. ANDERSON of Illinois, Mr. HAMILTON, Mr. MCCLURE, Mr. DON H. CLAUSEN, Mr. HOGAN, Mr. ANDREWS, of Alabama, Mr. MESKILL, Mr. CEDERBERG, Mr. CONTE, and Mr. LUKENS):

H.R. 17082. A bill to improve and modernize the postal service, to reorganize the Post Office Department, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. FARBSTEIN (for himself, Mr. Moss, and Mr. GILBERT):

H.R. 17083. A bill to amend the Fair Packaging and Labeling Act to require a packaged perishable food to bear a label specifying the date after which it is not to be sold for consumption as food; to the Committee on Interstate and Foreign Commerce.

By Mr. HAGAN:

H.R. 17084. A bill to provide certain medical and surgical services to officers and members of the Fire Department of the District of Columbia and of police forces in the District of Columbia retired under the Policemen and Firemen's Retirement and Disability Act for total disabilities; to the Committee on the District of Columbia.

By Mr. HANSEN of Idaho (for himself and Mr. MCCLURE):

H.R. 17085. A bill to amend title II of the Social Security Act to include Idaho among the States which may obtain social security coverage, under State agreement, for State and local policemen and firemen; to the Committee on Ways and Means.

By Mr. HARVEY:

H.R. 17086. A bill to establish in the State of Michigan the Sleeping Bear Dunes National Lakeshore, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. LUJAN:

H.R. 17087. A bill to amend title II of the Social Security Act to increase the amount of outside earnings permitted each year without any deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. MCCLURE:

H.R. 17088. A bill to amend the Social Security Act to extend assistance under the maternal and child health and crippled children's services program to the Trust Territory of the Pacific Islands; to the Committee on Ways and Means.

By Mr. REID of New York:

H.R. 17089. A bill to prohibit the sale and shipment of certain economic poisons, and for other reasons; to the Committee on Agriculture.

H.R. 17090. A bill to amend the Clean Air Act so as to extend its duration, provide for national standards of ambient air quality, expedite enforcement of air pollution control standards, authorize regulation of fuels and fuel additives, provide for improved controls over motor vehicle emissions, establish standards applicable to dangerous emissions from stationary sources, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 17091. A bill to amend chapter 1 (Federal-Aid Highways) of title 23, United States Code, as amended, to establish local highway planning review commissions to consider conservation problems in connection with the construction of federally aided highways; to the Committee on Public Works.

By Mr. STUBBLEFIELD:

H.R. 17092. A bill to provide for orderly trade in textile articles and articles of leather footwear, and for other purposes; to the Committee on Ways and Means.

By Mr. YATRON:

H.R. 17093. A bill to provide for orderly trade in textile articles and articles of leather footwear, and for other purposes; to the Committee on Ways and Means.

By Mr. BUSH:

H.J. Res. 1174. Joint Resolution declaring the first Tuesday after the first Monday of November in each even-numbered year to be a legal public holiday; to the Committee on the Judiciary.

By Mr. SAYLOR (for himself, Mr. ANDREWS of North Dakota, Mr. CARTER, Mr. CONTE, Mr. DADDARIO, Mr. DERWINSKI, Mr. FALLON, Mr. GRAY, Mr. GROVER, Mr. JOHNSON of California, Mr. JONES of Alabama, Mr. KING, Mr. KUYKENDALL, Mr. MCKNEALLY, Mr. MILLER of Ohio, Mr. MILLER of California, Mr. OTTINGER, Mr. PIKE, Mr. ROBERTS, Mr. SATTERFIELD, and Mr. SCHWENGEL):

H.J. Res. 1175. Joint Resolution authorizing the President to proclaim National Volunteer Firemen's Week from September 19, 1970, to September 26, 1970; to the Committee on the Judiciary.

By Mr. SAYLOR (for himself, Mr. BEALL of Maryland, Mr. BUTTON, Mr. CEDERBERG, Mr. DON H. CLAUSEN, Mr. DELLENBACK, Mr. DICKINSON, Mr. MCDONALD of Michigan, Mr. MESKILL, Mr. MOLLOHAN, Mr. MOSS, Mr. O'NEILL of Massachusetts, Mr. ROE, Mr. RUTH, Mr. SIKES, Mr. STAGGERS, Mr. THOMPSON of New Jersey, Mr. TIERNAN, Mr. WIDNALL, Mr. WYLIE, and Mr. WYMAN).

H.J. Res. 1176. Joint Resolution authorizing the President to proclaim National Volunteer Firemen's Week from September 19, 1970, to September 26, 1970; to the Committee on the Judiciary.

By Mr. SAYLOR (for himself, Mr. BURTON of Utah, Mr. CLEVELAND, Mr. HALPERN, Mr. HENDERSON, Mr. HOWARD, Mr. MANN, Mr. QUILLEN, Mr. RUPPE, Mr. SKUBITZ, Mr. SEBELIUS, Mr. STEIGER of Arizona, Mr. TAFT, and Mr. WHITE):

H.J. Res. 1177. Joint resolution authorizing the President to proclaim National Volunteer Firemen's Week from September 19, 1970, to September 26, 1970; to the Committee on the Judiciary.

By Mr. BOB WILSON (for himself and Mr. BRADEMAS):

H.J. Res. 1178. Joint resolution authorizing the President to proclaim the month of May 1970 as "Project Concern Month"; to the Committee on the Judiciary.

By Mr. TIERNAN:

H. Con. Res. 576. Concurrent resolution expressing the sense of Congress that the Federal Communications Commission, the Corporation for Public Broadcasting, and the Department of Health, Education, and Welfare should immediately undertake to each separately study the question of long-term funding for the Corporation for Public Broadcasting and report to the Congress by October 1, 1970; to the Committee on Interstate and Foreign Commerce.

By Mr. WYMAN (for himself, Mr. SCOTT, Mr. WAGGONNER, Mr. SIKES, Mr. SCHERLE, Mr. HÉBERT, Mr. FLYNT, Mr. BURTON of Utah, Mr. HALEY, Mr. DEL CLAWSON, Mr. ANDREWS of Alabama, Mr. BERRY, Mr. ABBITT, Mr. MICHEL, Mr. ABERNETHY, Mr. BOW, Mr. HENDERSON, Mr. WILLIAMS, Mr. DOWNING, Mr. POLLOCK, Mr. ICHORD, Mr. SMITH of California, Mr. HALL, Mr. BRINKLEY, and Mr. SCHADEBERG):

H. Res. 922. Resolution creating a select committee to conduct an investigation of certain activities of William Orville Douglas, Associate Justice of the U.S. Supreme Court, to determine whether impeachment proceed-

ings are warranted; to the Committee on Rules.

By Mr. WYMAN (for himself, Mr. SCOTT, Mr. WAGGONNER, Mr. SIKES, Mr. GUBSER, Mr. LENNON, Mr. KING, Mr. JONES of Alabama, Mr. CLANCY, Mr. SLACK, Mr. MYERS, Mr. PASSMAN, Mr. O'KONSKI, Mr. LANDRUM, Mr. MIZELL, Mr. ROGERS of Florida, Mr. QUILLEN, Mr. WHITTEN, Mr. WOLD, Mr. DAVIS of Georgia, Mr. DEVINE, Mr. CLARK, Mr. SNYDER, Mr. FUQUA, and Mr. WATKINS):

H. Res. 923. Resolution creating a select committee to conduct an investigation of certain activities of William Orville Douglas, Associate Justice of the U.S. Supreme Court, to determine whether impeachment proceedings are warranted; to the Committee on Rules.

By Mr. WYMAN (for himself, Mr. SCOTT, Mr. WAGGONNER, Mr. SIKES, Mr. MINSHALL, Mr. LONG of Louisiana, Mr. RUTH, Mr. HAGAN, Mr. WINN, Mr. O'NEAL of Georgia, Mr. BROCK, Mr. JARMAN, Mr. CRANE, Mr. ZION, Mr. RARICK, Mr. ASHBROOK, Mr. FLOWERS, Mr. CAMP, Mr. CHAPPELL, Mr. TAYLOR, Mr. THOMPSON of Georgia, Mr. MONTGOMERY, Mr. BRAY, Mr. DANIEL of Virginia, and Mr. ESHLEMAN):

H. Res. 924. Resolution creating a select committee to conduct an investigation of certain activities of William Orville Douglas, Associate Justice of the U.S. Supreme Court, to determine whether impeachment proceedings are warranted; to the Committee on Rules.

By Mr. WYMAN (for himself, Mr. SCOTT, Mr. WAGGONNER, Mr. SIKES, Mr. HOSMER, Mr. EDWARDS of Louisiana, Mr. HUNT, Mr. GRAY, Mr. BLACKBURN, Mr. NICHOLS, Mr. FOREMAN, Mr. GRIFFIN, Mr. CRAMER, Mr. JONES of North Carolina, Mr. DICKINSON, Mr. CAFFERY, Mr. KUYKENDALL, Mr. BEVILL, Mr. LUKENS, Mr. STUCKEY, Mr. LANDGREBE, Mr. EDWARDS of Alabama, Mr. GROSS, Mr. BUCHANAN, and Mr. HARSHA):

H. Res. 925. Resolution creating a select committee to conduct an investigation of certain activities of William Orville Douglas, Associate Justice of the U.S. Supreme Court, to determine whether impeachment proceedings are warranted; to the Committee on Rules.

By Mr. WYMAN (for himself, Mr. SCOTT, Mr. WAGGONNER, Mr. SIKES, Mr. STEIGER of Arizona, Mr. SEBELIUS, Mr. GETTYS, Mr. ROUDEBUSH, Mr. BURLESON of Texas, Mr. FISHER, Mr. DOWDY, Mr. ROBERTS, Mr. DORN, Mr. FOUNTAIN, Mr. CASEY, Mr. RIVERS, Mr. SATTERFIELD, Mr. HULL, Mr. KEE, Mr. LONG of Maryland, Mr. WATSON, and Mr. CUNNINGHAM):

H. Res. 926. Resolution creating a select committee to conduct an investigation of certain activities of William Orville Douglas, Associate Justice of the U.S. Supreme Court, to determine whether impeachment proceedings are warranted; to the Committee on Rules.

By Mr. BENNETT:

H. Res. 927. Resolution to establish a select committee of the House of Representatives to investigate the question of whether Supreme Court Justice William O. Douglas may have been guilty of conduct constituting grounds for impeachment; to the Committee on Rules.

By Mr. HORTON (for himself, Mr. WEICKER, and Mr. FISH):

H. Res. 928. Resolution creating a select committee to investigate the official conduct of William O. Douglas, and for other purposes; to the Committee on Rules.

By Mr. POAGE:

H. Res. 929. Resolution printing as a House document a history of the Committee on Agriculture; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. GUBSER:

H.R. 17094. A bill for the relief of the Royal Canadian Legion Pipe Band of San Jose, Calif.; to the Committee on Ways and Means.

By Mr. HALEY:

H.R. 17095. A bill for the relief of Dr. Eduardo Fernandez-Dominguez; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

357. By the SPEAKER: A memorial of the Legislature of the State of Alaska, relating to social security payments to all social security recipients living in Alaska; to the Committee on Ways and Means.

358. By Mr. PRICE of Illinois: A memorial of the 76th General Assembly, State of Illinois, in support of the Family Assistance Act and other welfare reform actions; to the Committee on Ways and Means.

SENATE—*Thursday, April 16, 1970*

The Senate met at 11 o'clock a.m. and was called to order by Hon. QUENTIN N. BURDICK, a Senator from the State of North Dakota.

The Chaplain, the Rev. Edward L. R. Elson, D.D., offered the following prayer:

Eternal Father, as we turn from the noise and hurry of the world without we open our hearts to Thy quiet presence and renew our vows to serve Thee with our whole mind and soul and strength. Help us this new day to meet its joys with gratitude, its difficulties with fortitude, and its duties with fidelity. Keep our goals clear, our hearts pure, our spirits brave, our energies dedicated to Thy service. Amid the tumult and pressures of our times give us an inner calm which undergirds and strengthens all our labors. Bring us to the end of the day unstained, unashamed, and at peace with Thee and with one another.

In the Redeemer's name. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. RUSSELL).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., April 16, 1970.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. QUENTIN N. BURDICK, a Senator from the State of North Dakota, to perform the duties of the Chair during my absence.

RICHARD B. RUSSELL,
President Pro Tempore.

Mr. BURDICK thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Wednesday, April 15, 1970, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR MANSFIELD

Mr. MANSFIELD. Mr. President, I ask unanimous consent that I may be allowed to speak for 10 minutes, following the remarks of the distinguished Senator from Ohio (Mr. YOUNG).

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

STRIKES BY GOVERNMENT EMPLOYEES—INDEFINITE POSTPONEMENT OF SENATE RESOLUTION 373

Mr. MANSFIELD. Mr. President, I ask unanimous consent that Calendar No. 739, Senate Resolution 373, concerning strikes by Government employes, be indefinitely postponed. This is done with the concurrence of the distinguished Senator from Delaware (Mr. WILLIAMS), author of the resolution.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that at the conclusion of my remarks today, there be a period for the transaction of routine morning business with statements therein limited to 3 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SUSPENSION OF GERMANENESS RULE

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that time under the Pastore Germaneness Rule not start running today until the conclusion of all special orders heretofore entered.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Chair recognizes the distinguished Senator from Tennessee (Mr. BAKER) for 15 minutes.

FEDERAL REVENUE SHARING

Mr. BAKER. Mr. President, this morning, a significant news conference was