

Ward, Michael C.,	XXXX	Woodward, John C., III,	xxx-xx-xxxx	Damron, Thomas C.,	xxx-xx-xxxx
Wardega, Francis J.,	xxx-xx-xxxx	Woody, Carl E.,	xxx-xx-xxxx	Dorfman, William I.,	xxx-xx-xxxx
Warncke, Ronald M.,	xxx-xx-xxxx	Woollever, Ronald J.,	xxx-xx-xxxx	Drake, Robert E., Jr.,	xxx-xx-xxxx
Watson, Albert J.,	xxx-xx-xxxx	Woolshlager, John,	xxx-xx-xxxx	Dyer, Charles E., II,	xxx-xx-xxxx
Way, Robert E.,	xxx-xx-xxxx	Wooten, Marvin Jr.,	xxx-xx-xxxx	Elmore, James H., Jr.,	xxx-xx-xxxx
Weber, Richard A.,	xxx-xx-xxxx	Worthen, James K.,	xxx-xx-xxxx	Forshey, David L.,	xxx-xx-xxxx
Weeks, B. Gerald,	xxx-xx-xxxx	Wright, Fred J.,	xxx-xx-xxxx	Gora, Robert R.,	xxx-xx-xxxx
Weger, Carl J.,	xxx-xx-xxxx	Wright, Leslie R.,	xxx-xx-xxxx	Gregg, David E.,	xxx-xx-xxxx
Weller, Albert J.,	xxx-xx-xxxx	Wright, Less P.,	xxx-xx-xxxx	Hauck, Kenneth W.,	xxx-xx-xxxx
Wells, Michael C.,	xxx-xx-xxxx	Wright, Richard K.,	xxx-xx-xxxx	Henry, Joseph R.,	xxx-xx-xxxx
Westerlund, John S.,	xxx-xx-xxxx	Wright, Sumner C.,	xxx-xx-xxxx	Hetrick, Andrew J.,	xxx-xx-xxxx
Westlake, Leighton,	xxx-xx-xxxx	Wunderly, Curtis W.,	xxx-xx-xxxx	Howard, James T.,	xxx-xx-xxxx
Whidby, Paul P.,	xxx-xx-xxxx	Wyman, Samuel D., III,	xxx-xx-xxxx	Howe, Gaylon L., Jr.,	xxx-xx-xxxx
Whipple, Thomas O.,	xxx-xx-xxxx	Yacka, John D.,	xxx-xx-xxxx	Jackson, Walter F.,	xxx-xx-xxxx
White, David R.,	xxx-xx-xxxx	Yager, Harold E.,	xxx-xx-xxxx	King, Alan F.,	xxx-xx-xxxx
White, Eugene J., Jr.,	xxx-xx-xxxx	Yasukawa, Ronald N.,	xxx-xx-xxxx	Lamster, Richard D.,	xxx-xx-xxxx
White, Stephen,	xxx-xx-xxxx	Yearwood, John F.,	xxx-xx-xxxx	Leatherberry, Roy J.,	xxx-xx-xxxx
Whitley, Milton A., Jr.,	xxx-xx-xxxx	Yoshitani, Tay,	xxx-xx-xxxx	Lennox, Thomas J.,	xxx-xx-xxxx
Whitman, John W.,	xxx-xx-xxxx	Yoshizumi, Gary R.,	xxx-xx-xxxx	Lindsey, Richard H.,	xxx-xx-xxxx
Whitmore, Harry L.,	xxx-xx-xxxx	Young, David A.,	xxx-xx-xxxx	Mackey, Bobby C.,	xxx-xx-xxxx
Wiedenbeck, Richard,	xxx-xx-xxxx	Young, Nathaniel L.,	xxx-xx-xxxx	Martin, James A., Jr.,	xxx-xx-xxxx
Wignall, Robert A.,	xxx-xx-xxxx	Young, Stephen L.,	xxx-xx-xxxx	McManus, Albert T.,	xxx-xx-xxxx
Wilcox, Jeffrey D.,	xxx-xx-xxxx	Younts, James O., III,	xxx-xx-xxxx	McMullen, William,	xxx-xx-xxxx
Wildrick, John T.,	xxx-xx-xxxx	Zakrzewski, Stephen,	xxx-xx-xxxx	Mendoza, Edward M.,	xxx-xx-xxxx
Willhite, Harold L., Jr.,	xxx-xx-xxxx	Zapata, Jenaro A.,	xxx-xx-xxxx	Miller, Roy D.,	xxx-xx-xxxx
Wilker, Grant R.,	xxx-xx-xxxx	Zehrer, David G.,	xxx-xx-xxxx	Moore, Thomas M.,	xxx-xx-xxxx
Wilks, Riggs L., Jr.,	xxx-xx-xxxx	Zepko, John J.,	xxx-xx-xxxx	Morrison, James G.,	xxx-xx-xxxx
Williams, Charles D.,	xxx-xx-xxxx	Ziegler, David A.,	xxx-xx-xxxx	Nance, Frank W.,	xxx-xx-xxxx
Williams, Charles H.,	xxx-xx-xxxx	Zimmerman, James B.,	xxx-xx-xxxx	Normile, James P., III,	xxx-xx-xxxx
Williams, Gary S.,	xxx-xx-xxxx	Zimmerman, Loren D.,	xxx-xx-xxxx	Olejnik, Kenneth R.,	xxx-xx-xxxx
Williams, George K.,	xxx-xx-xxxx	Zinser, Roy F., Jr.,	xxx-xx-xxxx	Pope, John R.,	xxx-xx-xxxx
Williams, James O., Jr.,	xxx-xx-xxxx	Ziomek, Robert L.,	xxx-xx-xxxx	Popov, Dan,	xxx-xx-xxxx
Williams, John N.,	xxx-xx-xxxx	Zitnick, Charles L.,	xxx-xx-xxxx	Reamey, Herbert K., III,	xxx-xx-xxxx
Williams, John R.,	xxx-xx-xxxx	Zola, Ronald G.,	xxx-xx-xxxx	Rothwell, Daniel M.,	xxx-xx-xxxx
Williams, Lewis R., Jr.,	xxx-xx-xxxx	Zophy F. Gordon, II,	xxx-xx-xxxx	Schwitzer, George,	xxx-xx-xxxx
Williams, William E.,	xxx-xx-xxxx	Zucker, David C.,	xxx-xx-xxxx	Singh, Alvin R.,	xxx-xx-xxxx
Willis, John T.,	xxx-xx-xxxx			Stevens, Charles G.,	xxx-xx-xxxx
Wilson, Errol D.,	xxx-xx-xxxx			Stone, Samuel E.,	xxx-xx-xxxx
Wilson, Robert C., Jr.,	xxx-xx-xxxx			Vybiral, Thomas J.,	xxx-xx-xxxx
Wilson, Thomas G.,	xxx-xx-xxxx			Waters, Keith H.,	xxx-xx-xxxx
Winford, Benny F.,	xxx-xx-xxxx			Williams, Michael D.,	xxx-xx-xxxx
Wing, John B.,	xxx-xx-xxxx			Willis, Clarence R.,	xxx-xx-xxxx
Winsor, Stephen A.,	xxx-xx-xxxx			Winkel, Craig A.,	xxx-xx-xxxx
Winter, Daniel J.,	xxx-xx-xxxx			Withrow, Gene,	xxx-xx-xxxx
Winters, James M.,	xxx-xx-xxxx			Zych, Kenneth A.,	xxx-xx-xxxx
Wintrich, Frederick,	xxx-xx-xxxx				
Witherspoon, Richard H.,	xxx-xx-xxxx				
Witschonke, Carl F.,	xxx-xx-xxxx				
Witwer, Randall K.,	xxx-xx-xxxx				
Woessner, Carl F., Jr.,	xxx-xx-xxxx				
Wohlens, Everett T.,	xxx-xx-xxxx				
Wolfe, John C.,	xxx-xx-xxxx				
Wolfe, John E.,	xxx-xx-xxxx				
Wong, Terrence K. H.,	xxx-xx-xxxx				
Wood, Morris W.,	xxx-xx-xxxx				
Wood, William V.,	xxx-xx-xxxx				

WOMEN'S ARMY CORPS

To be first lieutenant

Madison, Amy J., xxx-xx-xxxx
Whitt, Sandra S., xxx-xx-xxxx

MEDICAL SERVICE CORPS

To be first lieutenant

Albus, Robert A., xxx-xx-xxxx
Ball, Robert M., xxx-xx-xxxx
Baxley, John B., Jr., xxx-xx-xxxx
Bland, Edward C., Jr., xxx-xx-xxxx
Brink, Gary S., xxx-xx-xxxx
Burdick, Douglas B., xxx-xx-xxxx
Busby, Lonnie L., xxx-xx-xxxx
Carpenter, Timothy, xxx-xx-xxxx
Carter, Oscar E., III, xxx-xx-xxxx
Chaney, Bobby F., xxx-xx-xxxx
Childs, Thomas R., xxx-xx-xxxx
Dale, Glyndon A., xxx-xx-xxxx

ARMY NURSE CORPS

Bertrand, Philip O., xxx-xx-xxxx
Clark, Charles P., xxx-xx-xxxx
Drain, Cecil B., xxx-xx-xxxx
Evans, John M., Jr., xxx-xx-xxxx
Fiser, James R., xxx-xx-xxxx
Gordon, Allen F., xxx-xx-xxxx
Miles, Ann L., xxx-xx-xxxx
Olson, Thomas J., xxx-xx-xxxx
Synakowski, Ralph G., xxx-xx-xxxx

HOUSE OF REPRESENTATIVES—Monday, June 21, 1971

The House met at 12 o'clock noon.
The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

If ye love Me, keep My commandments.—John 14: 15.

Eternal God, our Father, from whom cometh life, breath, and all things, quicken in us all that is good, true, and beautiful that with clear consciences, clean hands, and creative ideals we may endeavor to measure up to the principles of our faith and in its spirit to lead our Nation to the heights of justice and peace.

Bless our people and give them grace to walk in Thy ways that this Republic may ever be a democratic nation, flying the flag of freedom, and seeking the good of all men: through Jesus Christ our Lord. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

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

H. Con. Res. 120. Concurrent resolution to authorize the printing of a Veterans' Benefits Calculator.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill and a concurrent resolution of the House of the following titles:

H.R. 5257. An act to amend the National School Lunch Act, as amended, to provide funds and authorities to the Department of Agriculture for the purpose of providing free or reduced-price meals to needy children; and

H. Con. Res. 206. Concurrent resolution to

reprint brochure entitled "How Our Laws Are Made."

The message also announced that the Senate insists upon its amendments to the bill (H.R. 5257) entitled "An act to amend the National School Lunch Act, as amended, to provide funds and authorities to the Department of Agriculture for the purpose of providing free or reduced-price meals to needy children," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. TALMADGE, Mr. ELLENDER, Mr. ALLEN, Mr. HUMPHREY, Mr. MILLER, Mr. AIKEN, and Mr. YOUNG to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill and a joint and concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 1732. An act to amend and extend the provisions of the Juvenile Delinquency Prevention and Control Act of 1968, and for other purposes;

S.J. Res. 111. Joint resolution extending

for 2 years the existing authority for the erection in the District of Columbia of a memorial to Mary McLeod Bethune; and S. Con. Res. 30. Concurrent resolution authorizing the printing of the study entitled "Soviet Space Programs, 1966-70" as a Senate document.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE REPORT ON STATE, JUSTICE, COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS, 1972

Mr. ROONEY of New York. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a report on the State, Justice, and Commerce, the Judiciary, and related agencies appropriation bill for fiscal year 1972.

Mr. BOW reserved all points of order on the bill.

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

There was no objection.

STATE, JUSTICE, COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION BILL AND REPORT

(Mr. ROONEY of New York asked and was given permission to address the House for 1 minute.)

Mr. ROONEY of New York. Mr. Speaker, I want to announce that the report on this bill and the bill itself are available right now and may be obtained in the office of the Committee on Appropriations.

CHANGE OF LEGISLATIVE PROGRAM

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

Mr. BOGGS. Mr. Speaker, I take this time to advise Members that the program for this coming Thursday has been changed as follows:

We will consider the State, Justice, Commerce, and Judiciary appropriations bill for fiscal year 1972 on Thursday rather than the Treasury-Postal Service bill, as previously announced.

We would anticipate the Treasury-Postal Service bill will be programed for next week.

JOINT COMMITTEE TO STUDY COURSE OF INVOLVEMENT IN WAR IN VIETNAM

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

Mr. BOLAND. Mr. Speaker, the American people know next to nothing about the history of this country's war policies in Southeast Asia. The publication of the McNamara papers, long suppressed under the label "top secret," has left the public startled and confused. Some contend the study reveals a kind of Machia-

vellian duplicity in Government. Others contend the study is merely an outline of contingency plans—an outline that calls for cool and sober analysis, and not for a sudden exposé on the front pages of our newspapers. What are we to believe, Mr. Speaker? Without the facts—without even a rudimentary knowledge of the key policy decisions that led us into Vietnam—we cannot even begin to make a rational and responsible judgment.

We need to clear the air. We need a thorough and searching examination of the history of this country's involvement in Southeast Asia.

Today I am introducing a resolution to achieve that goal. Calling for the establishment of a joint House-Senate committee empowered to subpoena witnesses, my resolution would unearth the facts so long hidden away in classified files. It would make the public aware of just what decisions cost us more than 50,000 American lives and the squandering of more than \$250 billion.

The Congress has a right—indeed, a responsibility—to carry out such an investigation.

The press cannot do it. Certainly, the people themselves cannot. It is up to us—the elected Representatives of the people—to clear away the secrecy and deception that has veiled most policy decisions in Southeast Asia.

What is at stake here is the very integrity of American Government.

Public trust in that integrity hinges on disclosure of the facts.

Only then can the McNamara study be put into perspective.

RACIST HOSEA WILLIAMS

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

Mr. BRINKLEY. Mr. Speaker, racist Hosea Williams came into our town for a "demonstration" last Saturday in conjunction with a list of demands in behalf of 13 dismissed black policemen from the Columbus, Ga., Police Department. That night, 19 "clearly arsonist-set" fires occurred. Among them was a schoolbuilding and Ogletree's grocery, which personifies the tragic misdirection of Saturday's lawlessness. There is not to be found in Columbus, Ga., or in the State of Georgia, or in the United States of America, or on the earth, any finer people than the Ogletrees. They deal with their fellow man in a spirit of fairplay and kindness. When attacks like this occur, it shows how demented are the attackers.

May I compliment the excellence of the police department of Columbus, Ga., the black and the white who are presently on the force because they do their job as men of good will and good citizens.

PROVIDING FOR CONSIDERATION OF A JOINT RESOLUTION MAKING CONTINUING APPROPRIATIONS, 1972

Mr. MAHON. Mr. Speaker, I ask unanimous consent that it may be in order

on any day after next Wednesday, June 23, to consider a joint resolution making continuing appropriations for the fiscal year beginning July 1, 1971.

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

Mr. BOW. Mr. Speaker, reserving the right to object, I should like to ask the distinguished gentleman from Texas, the chairman of the committee, whether it is his intention that this will be the usual continuing resolution?

Mr. MAHON. It is my hope that we may have what we would call the general and usual continuing resolution. I would suggest that it extend through perhaps August 6, when the House is scheduled for a summer recess.

Mr. BOW. And I assume there will be no new obligations or appropriations above last year.

Mr. MAHON. Generally speaking, that would be the objective. As the gentleman from Ohio knows, he will work with the committee in determining the exact nature of the continuing resolution, and we will be looking forward to a standard type of continuing resolution.

Mr. BOW. I had understood that from the gentleman when he conferred with me on the continuing resolution.

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

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

Mr. HALL. Mr. Speaker, I appreciate the distinguished ranking minority member of the committee yielding to me.

I must say that I was aware of the necessity for this continuing resolution for appropriations beyond this fiscal year end. The distinguished chairman had, at another committee hearing this morning, said to me that it would be necessary, so I am not unprepared. But I am a little bit worried with the general nature of his statement. I would like to ask a specific question and receive an answer yes or no. Will there be increased assumption of authorization by the legislative committees in the continuing resolution, or will there be appropriations over and above the appropriations of last year unless the work has already been completed by the Congress?

Mr. MAHON. Well, the procedure for establishing the amount that would be available for expenditure would be the same as in previous years. It would be based upon the budget or based upon the lowest figure in a bill that passed the House or on the lesser of the two if the bill had passed the House and the Senate but had not become law.

It would be the lowest of those figures. It would be a standard-type resolution. There is no disposition here to do something radically different or something spectacular in connection with this matter. We are trying to buy time in order to continue the orderly functioning of the Government and speed up the process of appropriations in the House leading to the legislative and appropriation bills going to the President for his approval.

Mr. HALL. If the gentleman will yield further, the escape clause in the distinguished gentleman's statement right there is "the budget," not the House or

the other body's past action or last year's appropriation, whichever might be the lesser. It could conceivably be and I hope for the weal and woe of the Nation and for the benefit of fiscal balance some day that we might even appropriate less than the budget calls for.

Does the gentleman mean this continuing resolution might accept a budgetary projection of the executive branch and under this authority by unanimous consent appropriate up to the budget whether we have authorized such action or not?

Mr. MAHON. If last year is more than the budget, the continuing resolution will provide for the lower figure. I would say the continuing resolution would be subject to amendment, as the gentleman well knows.

Mr. HALL. I appreciate the gentleman's explanation. The further point is we are being asked to grant unanimous consent to bring this up at any time, without even seeing a copy of the resolution in advance. I might ask the gentleman when it would be available.

Mr. MAHON. We would hope to have it Wednesday. The samples of the previous continuing resolutions, after which this will be patterned, are available this morning, but it has not actually been drafted.

Mr. HALL. But if this unanimous-consent request is granted, we will have an opportunity to see the continuing resolution on Wednesday. And the gentleman expects to call it up when?

Mr. MAHON. On Wednesday.

Mr. HALL. On the same day?

Mr. MAHON. No. On Wednesday it will be available, and on Thursday we would probably undertake to bring it up.

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

Mr. SAYLOR. Mr. Speaker, reserving the right to object, and I shall not object, the distinguished chairman of the Appropriations Committee said that this request is necessary in the interest of the orderly procedure of Government.

Very frankly, would the gentleman not agree with me that the most orderly thing the Congress could do, would be to see that all the appropriation bills be enacted before July 1, 1971, the beginning of the new fiscal year?

Mr. MAHON. Of course, I agree that the most orderly thing to do would be for the House and the Senate to clear all of the annual appropriation bills to the President prior to July 1. This has not been possible for a variety of reasons, but we are now in position to move several of the fiscal 1972 bills to the other body. We expect to have half of the 1972 appropriation bills through the House before July 1 and we have high hopes that in July, the House can pass the remaining appropriation bills for the year.

I might add that the House has thus far sent two of the fiscal 1972 bills to the Senate—the education appropriation bill and the legislative appropriation bill. The Senate has passed one of those bills and is scheduled to pass the other one today, so that the Senate is right up with our schedule. I have high hopes

that the Senate committee, and the Senate, will move the bills expeditiously once they are received from the House.

Mr. SAYLOR. Mr. Speaker, I thank the distinguished chairman for that statement and withdraw my reservation.

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

There was no objection.

PERSONAL EXPLANATION

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

Mr. KOCH. Mr. Speaker, on Friday, June 18, I was absent from the House. Had I been present, I would have voted as follows:

On rollcall No. 147, House Resolution 434, to authorize additional investigative authority to the Committee on Education and Labor, I would have voted "yea." I am pleased that this bill passed by a vote of 183 to 119.

On rollcall No. 148, H.R. 7736, to extend for 1 year the student loan and scholarship provisions of titles VII and VIII of the Public Health Service Act, I would have voted "yea." I am pleased that this bill passed by a vote of 229 to 0.

I was not in Washington on Friday, June 18, because I was in the U.S. District Court of the Southern District of New York seeking leave to intervene in support of the New York Times. As I am sure our colleagues know, the U.S. Government has sought to prohibit the publishing of certain Pentagon papers by the New York Times. The U.S. district court has refused to issue a permanent injunction against the Times; however, Judge Kaufman of the Second Circuit Court has issued a temporary restraining order against the Times, and arguments on the issuance of a preliminary injunction will be heard before the full appellate court.

It seems certain that this case will not be settled until it reaches the Supreme Court, and I hope at that time that the rights protected under the first amendment will survive this latest censorship challenge.

BLACK CAUCUS FUNDRAISING DRIVE A SUCCESS

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

Mr. BURTON. Mr. Speaker, over the last weekend a number of us were privileged to witness a most historic event. Our colleagues in the Congress who have formed among themselves an organization called the black caucus held a fundraising function that attracted men and women from all over the country—men and women who were concerned and determined that the caucus be strengthened by providing them with needed funds for staffing and other vital purposes.

This dinner attracted something in the order of some 3,000 people. It had a good number of notable entertainers and po-

litical figures of the black communities from every section of the land. I think it fair to state that the black caucus is and will continue to be an increasingly effective instrument in the fight to advance the cause not only of the black communities, but of the poor generally. Truly, the idea of a viable black caucus is an idea whose time has obviously come.

CONGRESSMAN STRATTON CALLS PUBLICATION OF TOP SECRET PENTAGON STORY ON VIETNAM AN UN-AMERICAN ACTION

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

Mr. STRATTON. Mr. Speaker, as one of the Members of the House who have followed the Vietnam war closely, I want to express here today to my colleagues in the House, as I did over the weekend in my own district, my considered views on the current case of the purloined secret documents being published in the New York Times and the Washington Post.

In my judgment this action is un-American in the very literal sense of that word, that is, it can only damage our country at a time of war and give massive aid and comfort to the enemy.

The one thing that seems to have been forgotten is that this country is still at war today, the third most costly war in our history. It hasn't been formally declared as a war, but it is war nonetheless.

And in that war, we are presently engaged in three very important and very delicate tasks; to bring home safely some 200,000 American troops still in South Vietnam; to win the prompt release of some 500 prisoners of war; and, third, to bring this war to a prompt and honorable end.

The publication of these documents, and the attendant denigration of American leaders both past and present, can obviously only complicate and possibly jeopardize all three of these objectives. As such it could hardly be more damaging to the national interest.

Mr. Speaker, if these newspapers want to attack or degrade President Johnson and his associates that is their constitutional right. But let them wait until our Vietnam involvement is over.

After all, the effort to prove that President Roosevelt had personally contrived the Japanese attack on Pearl Harbor did not erupt into a formal congressional investigation until after the end of World War II.

CONGRESSMAN RONCALIO CALLS FOR MORE EQUITABLE DISTRIBUTION OF FEDERAL PAYROLLS

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

Mr. RONCALIO. Mr. Speaker, in calling for a moratorium on the construction of Federal office buildings in the Greater Washington area, I have repeatedly

stressed the necessity for a more equitable distribution of Federal payrolls as a stimulus to the economies of nonmetropolitan areas.

I am therefore very pleased to note for the RECORD, the recent testimony of North Dakota Gov. William L. Guy before the Rural Development Subcommittee of the other body.

As this month's issue of the Basin Electric Report indicates, Governor Guy emphasized population maldistribution as the root cause of so many seemingly separate social and economic ills of the Nation.

I would especially note the following quotation from the report on Governor Guy's testimony:

The federal government itself is the greatest factor in maldistribution and shift of population. Such practices as locating defense industries and government-financed university research departments in already heavily populated areas creates compounded problems as satellite industries further congest these areas.

This is a theme which deserves the full attention of the Congress, particularly in view of the President's proposals on governmental reorganization. If the representatives of the beleaguered urban centers and the representatives of the nonmetropolitan areas can recognize a common cause in a more healthy and humane distribution of population, the reorganization of the Federal Government will be accompanied by a concerted effort to relocate more installations in communities which could not only absorb growth, but would welcome it.

I would hope that the counsel of Governor Guy will be kept in mind when the House is next asked to approve another Federal office building for the overcrowded National Capital.

PHILADELPHIA PLAN IMPOSED ON ATLANTA, GA.

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

Mr. THOMPSON of Georgia. Mr. Speaker, an announcement by the Department of Labor over the weekend is going to deprive some workers in Atlanta, Ga., of their jobs. We in Atlanta have had imposed on us by the Nixon administration the so-called Philadelphia plan. This plan will require that the racial makeup of the skilled blue collar workers employed by contractors—who have any Federal jobs—be based not on ability but on a set racial balance established by the Labor Department.

Mr. Speaker, it is not estimated that there will be an increase in the employment rolls of the construction industry sufficient to assure that all of the workers now employed who are white, will be able to keep their jobs when racial balance is required by the Nixon administration's decree.

It is a sad day when we see a movement of totalitarianism, such as this, creeping into our Government and a man denied his own job because he is white

and there are too many whites employed by his employer to meet the requirements of racial balance decreed by the administration.

Some have suggested that I should not speak out on this matter because I am a member of the Republican Party and what I say will only draw more attention to what is being done.

To these I say, when the administration is engaged in reverse discrimination then I intend to expose it as best I can.

I am elected to serve the people of Georgia in Washington and not to serve the interest of Washington in Georgia.

It is my hope that I will be able to get the administration to adopt a fair non-racial nondiscrimination program and to drop the idea of forced racial balance among skilled workers.

After all, if the Government can force racial balance among skilled workers then it can force balance in all areas—bankers, lawyers, CPA, and so forth. Is it fair to single out blue collar workers alone even if they do not have the political power of bankers, and so forth?

PENTAGON REPORT

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

Mr. MYERS. Mr. Speaker, there have been several Members of this body who have demanded that the controversial report of the Pentagon during the Kennedy-Johnson administrations be released not only to this body, but to the press.

Back a few weeks ago, the House Committee on Internal Security was attempting to search and find the financing of some of those who threatened to destroy our Government and our system. A court order denied bank deposit information to the Congress. I do not recall any of those same Members who are now demanding to know more about our own security and threats to our own security demanding to get the information released about the financing of those who threaten our country.

It seems rather strange to me that some place different standards and rules for those who want to threaten the security of this country, but will protect the rights of secrecy for those who threaten the future of this very Government of ours.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day.

The Clerk will call the first bill on the Consent Calendar.

CALIFORNIA PEACH ADVERTISING UNDER FEDERAL MARKETING ORDERS

The Clerk called the bill (H.R. 4263) to add California-grown peaches as a commodity eligible for any form of pro-

motion, including paid advertising, under a marketing order.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HALL. Mr. Speaker, reserving the right to object, I would like to again ask the Members of the House in support of this bill requiring unanimous consent, why it is that the Federal Government should contribute anything to the cost of a marketing order which would favor the promotion of segmented areas or products such as California peaches and for an answer to that question, I yield to my distinguished friend, the gentleman from California, author of the bill.

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

Mr. Speaker, I appreciate the gentleman's question. There, of course, is no cost to the taxpayers regarding the promotion of or the carrying out of the promotion or advertising that might occur under the bill.

There is as always normally an estimated cost regarding referendums. It is entirely possible that there would be no need for a separate referendum as I am sure my colleague, the gentleman from Missouri knows—you cannot amend a marketing order without the vote of the farmers. Very often they do revise or amend these orders and, therefore, a referendum is necessary.

The Department estimates a one-time cost if a separate referendum had to be held, to be \$7,500. And it would be only a one-time cost and would not occur year after year.

Mr. HALL. In other words, Mr. Speaker, as I understand my distinguished colleague from California, this is purely administrative cost to the Department of Agriculture, which generally is assumed by the Government if a referendum is necessary?

Mr. SISK. The gentleman is exactly correct.

Mr. HALL. If such a referendum were necessary in the case of California peach producers who are covered under this marketing order, would they vote individually as growers, or would they assign their vote to their cooperatives?

Mr. SISK. It is my understanding that in most cases, under the present order, the individual growers would vote. However, under the procedures they are permitted, if they are in cooperatives, to permit the co-ops to cast their votes.

Mr. HALL. But presumably there would be some action indicating to the cooperatives that they had delegated that authority? Otherwise, they would be called upon individually to vote if they produced a certain amount of peaches?

Mr. SISK. That is exactly correct. As the gentleman knows, it requires a two-thirds vote to maintain a marketing order.

Mr. HALL. Mr. Speaker, in view of the gentleman's answers, I withdraw my reservation.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill as follows:

H.R. 4263

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the proviso at the end of section 8c(6)(I) of the Agricultural Adjustment Act (as reenacted by the Agricultural Marketing Agreement Act of 1937, and as subsequently amended (7 U.S.C. 608c(6)(I)), is hereby amended by inserting "California-grown peaches," immediately after "applicable to cherries."

With the following committee amendments:

Page 1, line 7, after the word "peaches" insert a comma; and

Page 1, line 8, strike the word "cherries," and insert in lieu thereof the words "almonds,".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

STATE AND LOCAL LAW ENFORCEMENT IN NATIONAL FORESTS

The Clerk called the bill (H.R. 3146) to authorize the Secretary of Agriculture to cooperate with the States and subdivisions thereof in the enforcement of State and local laws, rules, and regulations within the national forest system.

Mr. HALL. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice, inasmuch as it exceeds the agreed criteria of the objectors.

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

There was no objection.

RELIEF FROM EFFECTS OF THE EMERGENCY POSTAL SITUATION IN PATENT AND TRADEMARK CASES

The Clerk called the bill (S. 645) to provide relief in patent and trademark cases affected by the emergency situation in the U.S. Postal Service which began on March 18, 1970.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HALL. Mr. Speaker, reserving the right to object, I would like to inquire as to whether there has been any specific patent involved herein, or any known short list of patents that were not received in the accustomed timely fashion, because of the "postal incident" in March of 1967? I presume that refers to the strike, is that correct?

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

Mr. HALL. I am glad to yield to the gentleman from Wisconsin.

Mr. KASTENMEIER. It does come about as a result of the postal strike. There are no claims that have been described as about to have been filed, but the Secretary of Commerce did feel that, because there are approximately 4,000 patent applications and 1,200 trademark applications that could potentially be affected, this was desirable legislation. But

the committee has not been informed of any particular application or any particular claim that might qualify under this bill.

Mr. HALL. I thank the gentleman.

Mr. Speaker, while my friend is on his feet, may I also ask if in his opinion there does lie in the Committee on the Judiciary the proper jurisdiction for handling this type of reference; namely, S. 645?

Mr. KASTENMEIER. Mr. Speaker, if my friend will further yield, I would say yes, indeed. Subcommittee No. 3 of the Judiciary Committee has handled in the past matters affecting patents and trademarks, and copyrights. While it also does affect for that purpose the postal laws, the laws themselves that are amended are indeed patent laws. Accordingly, their jurisdiction is in the Judiciary Committee.

Mr. HALL. Mr. Speaker, I appreciate the gentleman's forthright answer. I am prone to agree with him. But the point I am trying to make is this, in the opinion of the distinguished gentleman, hereafter will all matters pertaining to the new U.S. Postal Service or the Postal Service as it will be after July 1 of this year be referred to this and/or other committees rather than the House Committee on Post Office and Civil Service?

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

Mr. HALL. I am glad to yield.

Mr. KASTENMEIER. I cannot answer that question. I would assume the Committee on Post Office and Civil Service has appropriate jurisdiction where the postal laws are directly involved, certainly in a general case.

Mr. HALL. Based on that bill we passed, I think that is a very dangerous assumption, I would say to my friend.

Mr. KASTENMEIER. That is, I must say to my friend, outside of my jurisdiction, and certainly the scope of this bill. It is beyond my competence to reply.

Mr. HALL. Mr. Speaker, the gentleman has adequately answered my question so far as reference to this bill is concerned, and certainly so far as any specific patent involvement is concerned. I see no objection to the bill.

Mr. Speaker, I withdraw my reservation.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill as follows:

S. 645

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

SECTION 1. (a) A patent or trademark application shall be considered as having been filed in the United States Patent Office on the date that it would have been received by the Patent Office except for the delay caused by the emergency situation affecting the postal service which began on March 18, 1970, and ended on or about March 30, 1970, if a claim is made for the benefit of an earlier date in accordance with subsections (b) and (c) of this section. Patents issued with earlier filing dates afforded by this section shall not be effective as prior art under subsection 102(e) of title 35 of the United States Code as of such earlier filing dates.

(b) No patent or trademark application, patent, or trademark registration shall be entitled to an earlier filing date under this section unless a verified statement by the applicant or owner of record claiming the filing date to which the application is believed to be entitled is filed in the Patent Office within six months after enactment of this Act. Such statement shall be maintained in the file of the application in the Patent Office and shall be referred to in the patent or trademark registration when practicable.

(c) When a statement filed under subsection (b) of this section appears unreasonable or defective on its face, or when the filing date of the patent or trademark application, patent, or trademark registration is called into question or is material in any inter partes proceeding in the Patent Office or any proceeding in the courts, the applicant or owner of such application, patent, or trademark registration may be required to present evidence establishing the filing date to which the application is entitled. The filing date to which the application is entitled shall be determined on the basis of such evidence and any evidence introduced by an opposing party. The evidence shall be presented as directed by the Commissioner of Patents in proceedings in the Patent Office or as directed by the courts in proceedings in the courts.

SEC. 2. (a) Except for the filing of a patent or trademark application, if any action is taken or any fee is paid in the United States Patent Office later than the end of a time period specified in the statutes set forth in subsection (b) of this section for taking such action or paying such fee, and no provision exists in law for excusing such delay, the delay may be excused if it is determined that it was caused by the emergency situation affecting postal service which began on March 18, 1970 and ended on or about March 30, 1970. Relief under this section must be requested by a verified statement filed in the Patent Office by the patent or trademark applicant or owner within six months after enactment of this Act.

(b) This section is applicable to title 35, United States Code, "Patents"; the Trademark Act of 1946, ch. 540, 60 Stat. 427, as amended; the Atomic Energy Act of 1954, Public Law 83-703, 68 Stat. 919, as amended; and the National Aeronautics and Space Act, Public Law 85-568, 72 Stat. 426 (1958), as amended. In cases involving the Atomic Energy Act of 1954 or the National Aeronautics and Space Act, determinations of relief shall be made by a Board of Patent Interferences. In other cases determinations shall be made by the Commissioner of Patents.

SEC. 3. The Commissioner of Patents may establish regulations for administering this Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PRIORITY FOR INVENTORS' CERTIFICATES

The Clerk called the bill (H.R. 5237) to carry into effect a provision of the Convention of Paris for the Protection of Industrial Property, as revised at Stockholm, Sweden, July 14, 1967.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. JOHNSON of Pennsylvania. Mr. Speaker, reserving the right to object, inasmuch as this bill deals specifically with a type of patent known as an in-

ventor's certificate, I should like to interrogate the gentleman from Wisconsin with regard to this particular bill.

Do we have a similar provision under our law for an inventor's certificate in the United States?

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

Mr. JOHNSON of Pennsylvania. I yield to the gentleman from Wisconsin.

Mr. KASTENMEIER. I will say to the gentleman we have not. The United States uses exclusively applications for patents. The patent is the system followed here historically. The inventor's certificate is common to a series of Eastern European nations, but no others that I know of.

Mr. JOHNSON of Pennsylvania. A further inquiry, Mr. Speaker. As I understand it, in these Eastern European countries behind the Iron Curtain, inasmuch as patents, escheat to the crown or the dictatorial government, they do not bother to give patents, but give an inventor's certificate.

That is what this bill seeks to follow in the United States, to give credence, as it were, as if it were a patent; is that right?

Mr. KASTENMEIER. For the purposes of filing only, it is pursuant to the Stockholm convention, which is the equivalent of a treaty we have entered into. I would say the answer to the gentleman's question is "Yes."

Mr. JOHNSON of Pennsylvania. Does the gentleman know whether in the countries behind the Iron Curtain an American citizen can file a patent in those countries and get patent protection? Is it a two-way street, does the gentleman know?

Mr. KASTENMEIER. The committee is informed that a foreign or an American applicant in those countries may file for either a patent or an inventor's certificate, and that is the criterion of this particular bill; namely, it is a matter of patent or inventor's certificate. If they had an inventor's certificate only they would have qualified under the Stockholm Convention.

So I would say to the gentleman an American applicant may so file. This is one of the reasons why the Department of Commerce, the Department of State, the National Association of Manufacturers, the American Patent Law Association, and many other groups concerned with this are wholeheartedly in approval of this bill.

Mr. JOHNSON of Pennsylvania. Mr. Speaker, with the assurance to the House that American patent holders have the same privileges in countries behind the Iron Curtain as we give them over here, if that is actually the fact, I withdraw my reservation.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill as follows:

H.R. 5237

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 119 of title 35 of the United States Code, en-

titled "Patents" is amended by adding at the end thereof the following paragraph:

"Applications for inventors' certificates filed in a foreign country in which applicants have a right to apply, at their discretion, either for a patent or for an inventor's certificate shall be treated in this country in the same manner and have the same effect for purpose of the right of priority under this section as applications for patents, subject to the same conditions and requirements of this section as apply to applications for patents, provided such applicants are entitled to the benefits of the Stockholm Revision of the Paris Convention at the time of such filing."

SEC. 2. Subsection 102(d) of title 35 of the United States Code is amended to read as follows:

"(d) The invention was first patented or caused to be patented, or was the subject of an inventor's certificate, by the applicant or his legal representatives or assigns in a foreign country prior to the date of the application for patent in this country on an application for patent or inventor's certificate filed more than twelve months before the filing of the application in the United States, or"

SEC. 3. (a) Section 1 of this Act shall take effect on the date when Articles 1-12 of the Paris Convention of March 20, 1883, for the Protection of Industrial Property, as revised at Stockholm, July 14, 1967, come into force with respect to the United States and shall apply only to applications thereafter filed in the United States.

(b) Section 2 of this Act shall take effect six months from the date when Articles 1-12 of the Paris Convention of March 20, 1883, for the Protection of Industrial Property, as revised at Stockholm, July 14, 1967, come into force with respect to the United States and shall apply to applications thereafter filed in the United States.

With the following committee amendment:

On page 2, line 7, strike out "The" and insert in lieu thereof "the".

The committee amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

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

Mr. RONCALIO. 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 Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 340, nays 8, not voting 85, as follows:

[Roll No. 149]
YEAS—340

Abbutt
Abernethy
Abourezk
Abzug
Adams
Addabbo
Alexander

Anderson, Calif.
Anderson, Ill.
Andrews, Ala.
Andrews, N. Dak.
Annunzio

Archer
Ashley
Aspin
Aspinall
Baker
Baring
Begich

Belcher
Bell
Bennett
Bergland
Betts
Bevill
Biester
Blackburn
Blanton
Boggs
Boland
Bolling
Brademas
Brasco
Brinkley
Brooks
Broomfield
Brotzman
Brown, Mich.
Broyhill, N.C.
Broyhill, Va.
Burke, Fla.
Burke, Mass.
Burlison, Tex.
Burlison, Mo.
Burton
Byrne, Pa.
Byrnes, Wis.
Byron
Cabell
Caffery
Carey, N.Y.
Carney
Carter
Casey, Tex.
Cederberg
Celler
Chamberlain
Chappell
Clancy
Clark
Clausen, Don H.
Clawson, Del.
Cleveland
Collier
Collins, Ill.
Collins, Tex.
Colmer
Conable
Conte
Conyers
Corman
Coughlin
Crane
Culver
Daniel, Va.
Daniels, N.J.
Davis, Ga.
Davis, S.C.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Derwinski
Devine
Drinan
Dulski
Duncan
du Pont
Dwyer
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Esch
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Flood
Flowers
Flynt
Foley
Ford,
William D.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fulton, Tenn.
Galifianakis
Gaydos
Gialmo
Goldwater
Gonzalez
Goodling
Grasso
Gray

Green, Oreg.
Green, Pa.
Griffin
Griffiths
Gross
Gubser
Gude
Haley
Hall
Hamilton
Hammer- schmidt
Hanley
Hansen, Idaho
Hansen, Wash.
Harrington
Harsha
Harvey
Hathaway
Hawkins
Hays
Hébert
Hechler, W. Va.
Heckler, Mass.
Helstoski
Henderson
Hicks, Mass.
Hicks, Wash.
Hillis
Hogan
Hollifield
Horton
Hosmer
Howard
Hull
Hungate
Hutchinson
Ichord
Jacobs
Jarman
Johnson, Calif.
Johnson, Pa.
Jonas
Jones, Ala.
Jones, N.C.
Karth
Kastenmeier
Kazen
Keating
Kee
Kemp
King
Kluczynski
Koch
Kuykendall
Kyl
Kyros
Landgrebe
Landrum
Latta
Leggett
Lennon
Link
Lloyd
Long, Md.
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McDonald,
Mich.
McFall
McKay
McKevitt
McMillan
Macdonald,
Mass.
Madden
Mahon
Mailliard
Mann
Martin
Matsunaga
Mayne
Mazzoli
Meeds
Michel
Mikva
Mills, Ark.
Minish
Mink
Minshall
Mitchell
Mizell
Montgomery
Moorhead
Morse
Mosher
Murphy, Ill.
Myers
Natcher

Nedzi
Nelsen
Nichols
Obey
O'Konski
O'Neill
Passman
Patten
Pelly
Perkins
Pettis
Peyster
Pickle
Pike
Pirnie
Poage
Podell
Poff
Powell
Preyer, N.C.
Price, Ill.
Price, Tex.
Pryor, Ark.
Pucinski
Quile
Quillen
Railsback
Randall
Rees
Reid, Ill.
Reid, N.Y.
Reuss
Rhodes
Roberts
Robinson, Va.
Robison, N.Y.
Roe
Rogers
Roncalio
Rooney, N.Y.
Rooney, Pa.
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Ruppe
Ruth
Ryan
Sarbanes
Saylor
Scheuer
Schwengel
Scott
Sebelius
Shipley
Shoup
Shriver
Sikes
Sisk
Skubitz
Slack
Smith, Calif.
Smith, Iowa
Smith, N.Y.
Snyder
Springer
Stafford
Staggers
Stanton,
J. William
Stanton,
James V.
Steed
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stubblefield
Sullivan
Symington
Talcott
Teague, Calif.
Teague, Tex.
Terry
Thompson, Ga.
Thompson, N.J.
Thomson, Wis.
Thone
Tiernan
Udall
Ullman
Van Deerin
Vander Jagt
Vanik
Veysey
Waggonner
Waldie
Wampler
Watts
Whalen
White

Whitehurst	Wilson,	Wyman
Whitten	Charles H.	Yates
Widnall	Winn	Young, Fla.
Wiggins	Wolf	Young, Tex.
Williams	Wright	Zablocki
Wilson, Bob	Wyatt	Zion
	Wylie	Zwach

NAYS—8

Buchanan	McClure	Scherle
Dingell	Miller, Ohio	Schmitz
Garmatz	Rarick	

NOT VOTING—85

Anderson,	Erlenborn	Monagan
Tenn.	Eshleman	Morgan
Arends	Ford, Gerald R.	Moss
Ashbrook	Frelinghuysen	Murphy, N.Y.
Badillo	Fulton, Pa.	Nix
Barrett	Fuqua	O'Hara
Biaggi	Gallagher	Patman
Bingham	Gettys	Pepper
Blatnik	Gibbons	Purcell
Bow	Grover	Rangel
Bray	Hagan	Riegle
Brown, Ohio	Halpern	Rodino
Camp	Hanna	Roy
Chisholm	Hastings	Runnels
Clay	Hunt	St Germain
Cotter	Jones, Tenn.	Sandman
Danielson	Keith	Satterfield
Davis, Wis.	Lent	Schneebell
Dennis	Long, La.	Seiberling
Dent	McCulloch	Spence
Dickinson	McEwen	Steele
Diggs	McKinney	Stuckey
Donohue	Mathias, Calif.	Taylor
Dorn	Mathis, Ga.	Vigorito
Dow	Melcher	Ware
Dowdy	Metcalfe	Whalley
Downing	Miller, Calif.	Wylder
Edmondson	Mills, Md.	Yatron
Edwards, La.	Mollohan	

So the bill was passed.

The Clerk announced the following pairs:

Mr. Dent with Mr. Gerald R. Ford.
 Mr. Barrett with Mr. Arends.
 Mr. Morgan with Mr. Bow.
 Mr. Miller of California, with Mr. Steele.
 Mr. Rodino with Mr. Sandman.
 Mr. St Germain with Mr. McEwen.
 Mr. Fuqua with Mr. Ashbrook.
 Mr. Edmondson with Mr. Davis of Wisconsin.
 Mr. Donohue with Mr. Bray.
 Mr. Cotter with Mr. Halpern.
 Mr. Biaggi with Mr. Hastings.
 Mr. Taylor with Mr. McKinney.
 Mr. Monagan with Mr. Hunt.
 Mr. Moss with Mr. Frelinghuysen.
 Mr. Murphy of New York, with Mr. Wylder.
 Mr. Nix with Mr. Roy.
 Mr. Jones of Tennessee with Mr. Erlenborn.
 Mr. Hanna with Mr. Fulton of Pennsylvania.
 Mr. Anderson of Tennessee with Mr. Dickinson.
 Mr. O'Hara with Mr. Metcalf.
 Mr. Danielson with Mr. Whalley.
 Mr. Pepper with Mr. Lent.
 Mr. Gallagher with Mr. Rangel.
 Mr. Vigorito with Mr. Diggs.
 Mrs. Chisholm with Mr. Blatnik.
 Mr. Stuckey with Mr. Spence.
 Mr. Melcher with Mr. Mathias.
 Mr. Mollohan with Mr. Camp.
 Mr. Purcell with Mr. Schneebell.
 Mr. Gettys with Mr. Dennis.
 Mr. Runnels with Mr. Grover.
 Mr. Dow with Mr. Badillo.
 Mr. Dorn with Mr. Ware.
 Mr. Downing with Mr. Keith.
 Mr. Dowdy with Mr. Brown of Ohio.
 Mr. Mathis with Mr. Eshleman.
 Mr. Bingham with Mr. Riegle.
 Mr. Edwards of Louisiana with Mr. Mills of Maryland.
 Mr. Gibbons with Mr. Hagan.
 Mr. Yatron with Mr. Long of Louisiana.

Mr. SCHMITZ changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REREFERENCE OF EXECUTIVE COMMUNICATION NO. 740

Mr. McMILLAN. Mr. Speaker, I ask unanimous consent that the Committee on the District of Columbia be discharged from the further consideration of Executive Communication No. 740 and that the communication be referred to the Committee on Foreign Affairs.

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

There was no objection.

CONSENT CALENDAR

The SPEAKER. The Clerk will call the next bill on the Consent Calendar.

CURTAILING MAILING OF CERTAIN ARTICLES

The Clerk called the bill (H.R. 8548) to curtail the mailing of certain articles which present a hazard to postal employees or mail processing machines by imposing restrictions on certain advertising and promotional matter in the mails, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, reserving the right to object, I would like to ask someone conversant with this bill, which seems to be within the purview of the Committee on Post Office and Civil Service, how it found its way to the Committee on the Judiciary.

Mr. FLOWERS. Will the gentleman yield?

Mr. GROSS. I am glad to yield to my good friend.

Mr. FLOWERS. In responding to the gentleman's question, I think it involves the criminal statutes of the United States and the jurisdiction of the courts of the United States. Therefore it found its way to the Committee on the Judiciary.

This measure, if I might state further to the gentleman, did pass the House under unanimous consent last year in exactly this same form.

Mr. GROSS. I have no particular objection to the purport of the bill, but I am still not satisfied that it is not legislation that should have been handled by the Committee on Post Office and Civil Service. The gentleman says that it was sent to the Judiciary Committee for what reason?

Mr. FLOWERS. It amends title 18 of the United States Code, which is a criminal statute. It confers jurisdiction on the U.S. district court for the granting of injunctive relief upon application by the Government in cases that are specified herein, and that is within the jurisdiction of the Committee on the Judiciary.

Mr. GROSS. Are not other laws passed by the Committee on Post Office and Civil Service that provide for injunctive relief?

Mr. FLOWERS. Will the gentleman yield further?

Mr. GROSS. Of course.

Mr. FLOWERS. The gentleman is on the Committee on Post Office and Civil Service and I am on the Committee on the Judiciary. I am not as aware of the jurisdiction of his committee as I am of the Committee on the Judiciary. However, I would say that the provisions of title 18, which is a criminal statute, and which confers jurisdiction on the U.S. district court, is within the jurisdiction of the Committee on the Judiciary. There is certainly no intent here on the part of the Judiciary Committee to invade the province of another committee of this House.

Mr. Speaker, the bill, H.R. 8548, would amend section 1716 of title 18, United States Code, which bars injurious articles from the mails, by making the present first seven paragraphs of section 1716, subsections (a) through (g), and by adding a new subsection (h) declaring advertising, promotional, or sales matter soliciting or inducing the mailing of anything declared nonmailable by section 1716 to be likewise nonmailable unless accompanied by wrapping or packaging instructions in accord with regulations promulgated by the Postmaster General. Section 2 of the bill would add a new subsection (g) to section 3001 of title 39, United States Code, to confer jurisdiction on a district court, including the district court of the Virgin Islands and the district court of Guam, for actions to enjoin violations of section 1716 of title 18, United States Code.

The bill H.R. 8548 was introduced in accordance with the recommendations of the Post Office Department which recommends its enactment. The Department urged that the amendments provided in this bill be enacted in order to make it possible to curtail the mailing of articles which present a hazard to postal employees or mail processing machines.

A similar bill was considered by the committee in the 91st Congress and was the subject of a hearing on April 22, 1970. The witness appearing in behalf of the Post Office Department stated that as a result of sales promotion techniques such as contests, premium offers, and the like, enveloped mail containing undetected metal and plastic articles such as bottle caps, jar tops, can lids, opening strips, and similar items enter the mail stream and find their way into the mail processing machines of the postal service, causing serious damage to this expensive equipment. It was also pointed out that these articles present a physical danger to post office employees because pieces of metal or plastic may be projected with considerable force from the processing machines. Studies were conducted by the Department over a 2-year period to determine causes of delays or hindrances in the processing of letter mail. These studies included both observations of both manual and high-speed machine operations in the Department. The studies showed that problems concerning injurious articles start at the familiar corner mailbox. Mail col-

lectors have cut their hands on sharp objects as they reach in to remove mail from collection boxes. Before mail can be processed by machines it must be examined to remove oversize and nonmachineable mail. At this stage mail sacks are emptied onto conveyor belts, and employees spread the mail with their hands and must feel the mail for lumps or overly thick items. Obviously there is a danger that they will cut their hands on sharp items.

In addition to the criminal penalties as provided in section 1716 of title 18, the bill gives an added means of controlling the problem by authorizing the Post Office to secure injunctions. Section 2 of the bill would enable the Postmaster General, through the Attorney General, to bring suit against persons or organizations to enjoin mailings in violation of section 1716 of title 18. This provision affords the Department the alternative means of stopping the introduction into the mails of the matter described above, as well as other articles proscribed by section 1716 by the use of injunction proceedings.

In view of the recommendations of the Department in the executive communication and the considerations outlined in this report, it is recommended that the bill be considered favorably.

Mr. GROSS. As I previously stated, I think the intent of the legislation is good. I am not going to pursue the issue further, but I hope we will not continue to get legislation from the Committee on the Judiciary that seems to me to invade the jurisdiction of the Committee on Post Office and Civil Service.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. McCLURE. Mr. Speaker, reserving the right to object, and I shall not object, I want to concur in everything that the gentleman from Iowa (Mr. Gross) said. It seems to me that this matter should have been properly referred to the authorizing committee rather than to the Committee on the Judiciary, which really knows nothing about what is or is not mailable within the mails within the context of this statute.

I shall not object at this time, but if any similar legislation comes before the House in the future of a similar purport that comes from the Committee on the Judiciary, I shall object.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill as follows:

H.R. 8548

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1716 of title 18, United States Code, is amended (1) by designating the first through seventh paragraphs thereof as subsections (a) through (g), respectively; and (2) by inserting immediately above the penal provisions in such section the following new subsection:

"(h) Any advertising, promotional, or sales matter which solicits or induces the mailing of anything declared nonmailable by this section is likewise nonmailable un-

less such matter contains wrapping or packaging instructions which are in accord with regulations promulgated by the Postal Service."

Sec. 2. Section 3001 of title 39, United States Code, as enacted by the Postal Reorganization Act (P.L. 91-375), is amended by adding at the end thereof the following new subsection:

"(g) The district courts, together with the District Court of the Virgin Islands and the District Court of Guam, shall have jurisdiction, upon cause shown, to enjoin violations of section 1716 of title 18."

Sec. 3. The amendments made by this Act shall become effective at the beginning of the third calendar month following the date of enactment of this Act or on the date section 3001 of title 39, United States Code, becomes effective pursuant to section 15(a) of Public Law 91-375, whichever is the later.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TO BROADEN AUTHORITY OF THE SECRETARIES OF THE MILITARY DEPARTMENTS TO SETTLE CERTAIN ADMIRALTY CLAIMS ADMINISTRATIVELY

The Clerk called the bill (H.R. 8549) to amend title 10, United States Code, to broaden the authority of the Secretaries of the military departments to settle certain admiralty claims administratively, and for other purposes.

There being no objection, the Clerk read the bill as follows:

H.R. 8549

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title 10, United States Code, is amended as follows:

(1) The section heading for section 4802 and section 4802(a) are amended to read as follows:

"§ 4802. Admiralty claims against the United States

"(a) The Secretary of the Army may settle or compromise an admiralty claim against the United States for—

"(1) damage caused by a vessel of, or in the service of, the Department of the Army or by other property under the jurisdiction of the Department of the Army;

"(2) compensation for towage and salvage service, including contract salvage, rendered to a vessel of, or in the service of, the Department of the Army or to other property under the jurisdiction of the Department of the Army; or

"(3) damage caused by a maritime tort committed by any agent or employee of the Department of the Army or by property under the jurisdiction of the Department of the Army."

(2) Chapter 451 is amended by striking out the following item in the analysis:

"§ 4802. Damage by United States vessels; towage and salvage of United States vessels."

and inserting the following item in place thereof:

"4802. Admiralty claims against the United States."

(3) The text of section 4804 is amended to read as follows:

"(a) The Secretary of the Army may settle, or compromise, and receive payment of a claim by the United States for salvage services performed by the Department of the

Army. Amounts received under this section shall be covered into the Treasury.

"(b) In any case where the amount to be received by the United States is not more than \$10,000, the Secretary of the Army may delegate his authority under subsection (a) to any person designated by him."

(4) The text of section 7365 is amended to read as follows: "The Secretary of the Navy, or his designee, may consider, ascertain, adjust, determine, compromise, or settle and receive payment of any claim by the United States for salvage services rendered by the Department of the Navy."

(5) Section 7622(a) is amended to read as follows:

"(a) The Secretary of the Navy may settle, or compromise, and pay in an amount not more than \$1,000,000 an admiralty claim against the United States for—

"(1) damage caused by a vessel in the naval service or by other property under the jurisdiction of the Department of the Navy;

"(2) compensation for towage and salvage service, including contract salvage, rendered to a vessel in the naval service or to other property under the jurisdiction of the Department of the Navy; or

"(3) damage caused by a maritime tort committed by any agent or employee of the Department of the Navy or by property under the jurisdiction of the Department of the Navy."

(6) The section heading for section 9802, and section 9802(a) are amended to read as follows:

"§ 9802. Admiralty claims against the United States

"(a) The Secretary of the Air Force may settle or compromise an admiralty claim against the United States for—

"(1) damage caused by a vessel of, or in the service of, the Department of the Air Force or by other property under the jurisdiction of the Department of the Air Force;

"(2) compensation for towage and salvage service, including contract salvage, rendered to a vessel of, or in the service of, the Department of the Air Force or to other property under the jurisdiction of the Department of the Air Force; or

"(3) damage caused by a maritime tort committed by any agent or employee of the Department of the Air Force or by property under the jurisdiction of the Department of the Air Force."

(7) Chapter 951 is amended by striking out the following item in the analysis:

"9802. Damage by United States vessels; towage and salvage of United States vessels."

and inserting the following item in place thereof:

"9802. Admiralty claims against the United States."

(8) The text of section 9804 is amended to read as follows:

"(a) The Secretary of the Air Force may settle, or compromise, and receive payment of a claim by the United States for salvage services performed by the Department of the Air Force. Amounts received under this section shall be covered into the Treasury.

"(b) In any case where the amount to be received by the United States is not more than \$10,000, the Secretary of the Air Force may delegate his authority under subsection (a) to any person designated by him."

Sec. 2. (a) The section heading for section 646, and section 646, title 14, United States Code, are revised to read as follows:

"§ 646. Admiralty claims against the United States

"(a) The Secretary may consider, ascertain, adjust, determine, compromise, or settle, and pay in an amount not more than \$100,000, an admiralty claim against the United States for—

"(1) damage caused by a vessel in the Coast Guard service or by other property under the jurisdiction of the Department in which the Coast Guard is operating;

"(2) compensation for towage and salvage services, including contract salvage, rendered to a vessel in the Coast Guard service or to other property under the jurisdiction of the Department in which the Coast Guard is operating; or

"(3) damage caused by a maritime tort committed by an agent or employee of the Department in which the Coast Guard is operating or by property under the jurisdiction of that Department.

"(b) Upon acceptance of payment by the claimant, the settlement or compromise of a claim under this section is final and conclusive notwithstanding any other law.

"(c) If a claim under this section is settled or compromised for more than \$100,000, the Secretary shall certify it to Congress."

(b) Chapter 17 or title 14, United States Code, is amended by striking out the following item in the analysis:

"646. Claims for damages occasioned by vessels."

and inserting the following item in place thereof:

"646. Admiralty claims against the United States."

SEC. 3. Section 9 of the Act of March 9, 1920, chapter 9, as amended (41 Stat. 527, as amended; 46 U.S.C. 749) is amended by striking out the words "having control of the possession or operation of any merchant vessel."

Mr. FLOWERS. Mr. Speaker, H.R. 8549 provides for amendments to statutes providing for administrative settlement of admiralty claims and salvage claims. Its provisions are based on the recommendations of the Department of the Navy in an executive communication.

The amendments to sections in title 10, title 14 add language making it possible to settle admiralty claims within the full range of admiralty jurisdiction now provided in the Federal courts by adding authority to settle claims for damage caused by property of a department in addition to the present authority to settle claims for damage caused by vessels. Provision would also be made for settlement of claims for damage caused by maritime torts of an employee of a department. In line with the amendments to titles 10 and 14, the bill would also amend the Suits in Admiralty Act so that the administrative settlement authority of that act can be exercised by departments which do not have control of the possession or operation of merchant vessels. In 1960, the Suits in Admiralty Act was amended to clarify admiralty jurisdiction as to suits against the United States; however, parallel amendments were made to the sections providing for administrative settlement prior to suit. Basically, this bill makes those parallel amendments.

The bill amends three sections of title 10, sections 4802, 7622, and section 646 of title 14, to permit the Secretaries concerned to settle claims for salvage and towage of property other than vessels. The authority as to claims relating to vessels now exists, this bill merely adds the same authority as to property other than vessels.

The bill makes similar amendments to

sections 4804, 7365, and 9804 of title 10, concerning claims by the United States against other persons for salvage services. The sections now cover claims for salvage services to vessels and the amendments would add authority for the United States to settle its claims for salvage service to property other than vessels. The Army and Air Force Secretaries are given the authority to delegate the authority to settle these claims up to \$10,000.

The Army and Air Force settlement sections would be amended to delete present wording to the effect that the settlement authority of the military Secretary is under the direction of the Secretary of Defense. The Secretary of Defense has this authority without this provision.

Claims based on damages caused by departmental agents or by property of a department fall within the admiralty jurisdiction of the Federal courts and suit is permitted in such cases under the Suits in Admiralty Act (46 U.S.C. 741-752); however, the settlement authority found in sections 4802 and 9802 of title 10 is limited to claims for "damage caused by a vessel of, or in the service of" the Army in the case of section 4802 or the Air Force under section 9802. Section 7622 concerns the Navy and the settlement authority under that section is limited to claims for damage caused by a vessel in the naval service. Section 646 of title 14 concerning the Coast Guard is similarly limited. These sections are included in titles 10 and 14 to provide the authority for the expeditious settlement of admiralty claims. As outlined above, the bill would amend these sections to permit the settlement of admiralty claims based on damage caused by property other than vessels.

Settlements under the authority of these sections provide a means of avoiding unnecessary litigation. Settlement of this type also provides a means of eliminating unnecessary delay and expense to both the injured party and the Government. As was stated in the committee report, the executive communication notes that the present law is deficient in that it is not possible to settle all claims that are presently cognizable under the Suits in Admiralty Act. In 1960, the Suits in Admiralty Act was amended to clarify the jurisdiction of the district courts in these very situations. The 1960 amendment, added by the act of September 13, 1960 (Public Law 86-770, sec. 3, 74 Stat. 912), amended section 2 of the Suits in Admiralty Act (46 U.S.C. 742) by providing that actions can be brought against the United States or a corporation owned by the United States in instances where a proceeding in admiralty could be maintained "if a private person or property were involved."

This jurisdiction, therefore, extends to the full range of admiralty cases which might have been maintained had a private person or property been involved rather than the Government or its agents and employees or property. The legislative history of the 1960 amendment serves to emphasize this point. The Senate report—Senate Report 1894, 86th Congress, second session—which accom-

panied H.R. 5396, which was enacted as Public Law 86-770, noted that, while the original Suits in Admiralty Act provided for an action against the United States in cases where an admiralty proceeding might have been maintained if privately owned vessels or cargo had been involved, it did not mention private persons and property generally. The report pointed out that litigants had difficulty in determining their rights to bring actions against the United States because of uncertainty and obscurity in the language of the law defining the jurisdiction of the courts. Accordingly, the Senate committee recommended the amendment to section 2 of the Suits in Admiralty Act and stated concerning the revised language:

It restates in brief and simple language the now existing exclusive jurisdiction conferred on the district courts, both on their admiralty and law sides, over cases against the United States which could be sued on in admiralty if private vessels, persons, or property were involved.

Whereas, this amendment was made to section 2 of the Suits in Admiralty Act, parallel amendments were not made to sections 4802, 7622, and 9802 of title 10 nor section 646 of title 14 so as to provide for the same authority for settlement of admiralty claims by the military departments and the Coast Guard within the statutory monetary limits fixed in those sections.

With the amendments to the three sections 4802, 7622, and 9802 of title 10, and section 646 of title 14 recommended by the Navy, it will also be possible to settle or compromise admiralty claims against the United States for damage caused by property other than vessels. Several examples will serve to illustrate the nature of these claims. Damage to private vessels could be caused by the improper handling of pier fenders or camels alongside a military pier, or by such fenders or camels while floating free in a slip or harbor after breaking loose from their moorings. A claim might result from damage attributable to Government structures surrounded by navigable waters such as artificial islands or structures which might not be lighted or properly lighted. Damage caused by negligent operation of airplanes, helicopters, and drones on navigable waters also could be included as examples of property whose use could give rise to claims. Finally the committee has been advised that it is possible that lost or sunken ordnance could cause damage to fishermen's nets or vessels and give rise to claims which could be considered under the language added by the bill.

The bill would also provide for amendments to the four sections permitting the settlement of admiralty claims for damage caused by maritime torts committed by departmental agents or employees. For example, Navy civil service personnel are employed to pilot commercial ships into and out of some harbors, as well as berthing and unberthing commercial ships at Navy installations. Should the negligence of such a pilot cause damage to the commercial ship it could not be settled under the present

provisions of section 7622, but with the amendments added by this bill such a claim could be considered and settled. Another example of damage by personnel would be damage caused to a commercial ship by negligence of civil service longshoremen. Damage could also be caused to private property or a person by negligence of Government personnel operating on or from a structure which is not a vessel such as a platform for scientific observation and research or ocean data acquisition equipment. Personnel could also cause damage to a commercial ship in the operation of a gantry or shoreside operated crane or train.

As amended by the bill, sections 4802 (a) (3), 7622(a) (3), and 9802(a) (3), of title 10, and section 646(a) (3) of title 14, all provide for settlement authority as to damage caused by a maritime tort of a department's agent or attributable to "property under the jurisdiction of" a military department. For example, this provision is intended to provide for the authority to settle claims based on damage to property caused by the improper packaging or marking of Navy cargo. It would also cover a case where an unseaworthy cargo container or package permitted a longshoreman to fall through an outer covering and injure himself.

Of course, the examples outlined above do not cover all the factual situations which could produce potential litigation and claims which could be settled under the amendments added by the bill. They are merely intended to provide an indication of the types of claims which would be included in the scope of the proposed provisions. They also serve to emphasize the fact that there is serious deficiency in the existing provisions of the law and therefore that there is practical need for the amendments contained in this bill.

As I have noted, section 3 of the bill concerns parallel amendments to section 646 of title 14 concerning the Coast Guard as those proposed for sections 4802, 7622 and 9802 in title 10 concerning the military departments. The amendment to section 646 of title 14 follows the form of those contained in the bill with reference to the Army, Navy, and Air Force. It also provides that the limitation on claims authority in section 646 of title 14 be raised from \$25,000 to the more realistic sum of \$100,000.

As I have stated, the bill provides for amendments to section 4804 and 9804 authorizing the Secretaries of the Army or the Air Force to delegate his authority to settle claims of the United States for salvage service performed by his department when the amount to be received is less than \$10,000. This is accomplished by designating the present language of the sections, as amended, as subsection (a) and by adding a new subsection (b) granting authority to the respective Secretaries to delegate this authority in this manner. The executive communication observes that the Secretary of the Navy presently has the authority to designate another person to settle this type of a claim. Since the Secretary of the Army and the Secretary of the Air Force do not have the statutory authority to delegate this settlement function, the

amendments to the two sections will grant this authority as defined in the amendment.

The proposed legislation would also delete from the affected Army and Air Force settlement provisions the present wording to the effect that the settlement authority of the Secretary concerned is under the direction of the Secretary of Defense. The Secretary of Defense has this authority without specific provision in these sections. Elimination of the wording, therefore, does not lessen the authority of the Secretary of Defense. There is no such wording in the Department of the Navy provisions, and in practice the Departments of the Army, Navy, and Air Force coordinate their admiralty policies.

The executive communication commented upon the cost and budget implications of the amendments provided in this bill. While the additional authority for administrative settlement will result in increased settlement of administrative claims which will, of course, be reflected in increased costs to the department concerned, the Navy pointed out that any such increase in settlement costs will be more than offset in total costs to the Government by savings in cost of litigation and payment of judgment amounts. As has been noted in the committee report, one of the purposes of provision for administrative determination of admiralty claims at an initial stage, is to provide the Government and the parties involved the opportunity to settle admiralty matters prior to litigation and thereby avoid the costs and added expenses of protracted court proceedings. There is a clearly defined need for the amendments provided in this bill and it is recommended that the bill be considered favorably.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING THE JOINT RESOLUTION ESTABLISHING THE AMERICAN REVOLUTION BICENTENNIAL COMMISSION

The Clerk called the bill (S. 1538) to amend the joint resolution establishing the American Revolution Bicentennial Commission, as amended.

Mr. HALL. Mr. Speaker, inasmuch as this bill is listed under suspensions on the Suspension Calendar, I ask unanimous consent that it be passed over without prejudice.

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

There was no objection.

PROVIDING AN ADMINISTRATIVE ASSISTANT TO THE CHIEF JUSTICE OF THE UNITED STATES

The Clerk called the bill (H.R. 8699) to provide an Administrative Assistant to the Chief Justice of the United States.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HALL. Mr. Speaker, reserving the right to object and inasmuch as this is obviously a questionable procedure and needs debate it would be my intention to ask that it be put over. Furthermore, it involves a recurring cost that may well eventually amount to a greater amount than that ordinarily considered under the criteria agreed to by the committee's own objectors of the House.

I would be glad to yield to anyone who would like to comment upon this matter but otherwise I ask unanimous consent that the bill be passed over without prejudice.

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

There was no objection.

ACCOUNTING PROCEDURE FOR THE DISTRICT OF COLUMBIA

The Clerk called the bill (H.R. 8712) to amend the act entitled "An Act to authorize any executive department or independent establishment of the Government, or any bureau or office thereof, to make appropriate accounting adjustment or reimbursement between the respective appropriations available to such departments and establishments, or any bureau or office thereof", approved June 29, 1966, so as to include within its coverage the government of the District of Columbia.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. ASPINALL. Mr. Speaker, reserving the right to object, and I hope I do not have to object, but there is nothing in the report relative to the estimated cost which will be authorized by this procedure.

It is my understanding that the legislation may bring about a savings. However, there is nothing in the report that says that the original cost, whatever it may be, will not have to come out of the U.S. Treasury.

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

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

Mr. RANDALL. H.R. 8712 comes from the subcommittee of which I am the chairman. It is identical to a measure which passed back in 1966 and which applied to all branches of the Federal Government except the District of Columbia. It had general application. It was passed in the 89th Congress. The purpose of H.R. 8712 today is to enlarge this same accounting procedure to include the District of Columbia—

Mr. ASPINALL. Will the gentleman answer my question?

Mr. RANDALL. I was trying to. There would be no cost. On the other hand there will be a saving of money to the District of Columbia. Instead of costing anything this is an economy measure which will result in a saving.

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

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

Mr. HOLIFIELD. At the top of page 6 of the report it says:

Pursuant to House Rule XIII, Clause 7, the Committee estimates that there will be no additional cost incurred in carrying out the premises of this bill.

The bill would amend Public Law 89-473, 80 Stat. 221, 31 U.S.C. 628(a), and in a letter which I sent to objectors I made the statement that it would neither enlarge nor be the purpose for which an appropriation may be expended. It is a matter of adjustment of accountability.

Mr. ASPINALL. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HALL. Mr. Speaker, further reserving the right to object, I would have been glad to simply ask this question for information only on the other gentleman's time; but may I simply ask, in view of the statement made in the report in the bottom paragraph on page 1, whether or not it is intended that there may be a transfer of funds between appropriations available to different departments and agencies of the municipal government of the District of Columbia, to the point where we lose oversight and surveillance and the power of the purse over said funds?

Mr. HOLIFIELD. My answer to that would be "No." I might point out to the gentleman that on page 2, the first indented paragraph it says:

As an example, a consolidated order for equipment for all departments of the government of the District of Columbia could be charged initially to the District's Department of General Services, subject to later accounting adjustments.

This same bill is being used in all the States. The States are using it and finding it beneficial. It was asked for by the administration that we extend this to the District of Columbia from the standpoint of efficiency in funding these different accounts, many of them very small accounts, and bookkeeping adjustments would be made later in the year.

Mr. HALL. Mr. Speaker, further reserving the right to object, I appreciate the statement of the distinguished chairman of the Committee on Government Operations, and I believe it is right, but inasmuch as there have been some statements made and the report is not clear, unless one balances one paragraph against another; I want to be sure we will not lose our legislative oversight before the District of Columbia becomes a municipality or, indeed has State or Commonwealth status like the other 50 do, where it can handle its own obligations.

For example, I would ask the distinguished gentleman who chairs the committee, and even the joint committee on atomic energy, that since he is in the habit of reviewing by line item various appropriations, does this language means that down at the Municipal Courthouse of the District of Columbia they could, under a General Services Administration appropriation for any given year, without coming back here for "reprogramming," or without authorization or appropriation or line item basis, transfer funds between different agencies or sub-branches operating on various obligation and spending authorities, as long as they

settled up on a "bookkeeping basis" at the end of the year?

Mr. HOLIFIELD. I feel sure this is in accord with the statute that makes the money available on a line item basis that they are called upon to make, and this is what the Comptroller General stated in his letter in the next to the last indented paragraph on page 4:

We believe the authority contained in Public Law 89-473 can facilitate the accounting and payroll for common service types of activities and that savings can be realized through the establishment of joint service activities and the elimination of duplicate activities that might have been maintained within an agency. We see no reason why the District of Columbia would not benefit from the provisions of Public Law 89-473 equally as well as the Federal Government. We believe also that making its provisions available to the District of Columbia would encourage it to develop more effective management and accounting techniques so that the authority granted will produce the maximum benefits possible.

Accordingly, we recommend that H.R. 3644 be favorably considered.

Mr. HALL. Mr. Speaker, the Comptroller General testified this morning before the Joint Committee on Congressional Operations in exactly the same sense.

As I understand the distinguished chairman, we are allowing this transfer only after funds have been appropriated to the municipality by Congress on the line item basis; is that correct?

Mr. HOLIFIELD. That is correct, and any transfer of the funds would be in relation to the final accountability in line with the authorization of the line item issue.

Mr. HALL. And the gentleman's committee would review this the following year, and be assured that this was done in accordance with the correct accounting and bookkeeping processes?

Mr. HOLIFIELD. I think we can assume that possibility without any trouble.

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

Mr. HALL. I yield to the gentleman, my colleague from Missouri.

Mr. RANDALL. Mr. Speaker, I simply want to emphasize that H.R. 8712, neither enlarges nor contracts in the slightest the appropriation process. It could not possibly increase or decrease an appropriation.

Now I think I should inform my esteemed colleague, the gentleman from Missouri (Mr. HALL) that this identical kind of bill on accounting procedure passed the House late in the 91st Congress, but died in the Senate in the year-end rush. I should also advise my colleague from Missouri, and also the membership of the House that this bill was requested by the District of Columbia Office of Revenue and Finance. They came before our subcommittee and made a strong case for savings to be accomplished by this bill. Not only would there be savings in terms of bookkeeping costs, and avoidance of multiple billing but also by one department buying several identical items of purchase for itself and other departments—there would be a savings because of the discount en-

joyed from larger purchases at one time.

There is no way that the passage of this bill can impair the oversight of appropriations. It just does not change one way or the other, up or down or in any way modify the appropriation process. The department making the payment would check with the department to be charged to ascertain there was an unused appropriation by that department to satisfy subsequent payment. Actually this is a bookkeeping or accounting procedure to save money and cannot modify appropriations.

Mr. HALL. My beloved colleague from Missouri's semantics in explanation is much more convincing than the prose as written in the report in the bottom paragraph on page 1, and I accept it.

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

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

Mr. HORTON. Mr. Speaker, as a minority member of the committee that reported this bill to the House without objection, I favor the passage of H.R. 8712 by the House.

H.R. 8712 would extend the provisions of Public Law 89-473, now applicable only to Federal departments and agencies, to the District of Columbia. Enactment of this amendment would permit the District of Columbia government to pay for products and services chargeable to several appropriations with one voucher on one of such appropriations with accounting adjustments being made subsequently, but within the same fiscal year, and between the respective appropriations so that each bears its true share of the cost.

As such, this amendment will facilitate prompt payment of bills and will aid in distribution of payroll costs for an activity chargeable to more than one appropriation.

After hearing testimony from Federal Government and District of Columbia officials a subcommittee of the Government Operations Committee unanimously approved H.R. 8712 because it will offer an improvement to the efficiency and economy of the operations of the District of Columbia by authorizing the flexibility in accounting procedures which other departments and agencies of the Federal Government currently enjoy.

My colleagues and I on the Government Operations Committee support this measure and do so in the hope that its passage will contribute to more effective and efficient Government operations.

Mr. HALL. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill as follows:

H.R. 8712

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act to authorize any executive department or independent establishment of the Government, or any bureau or office thereof, to make appropriate accounting adjustment or reimbursement between the respective appropriations available

to such departments and establishments, or any bureau or office thereof", approved June 29, 1966 (80 Stat. 221; 31 U.S.C. 628a), is amended by striking out "Government" and inserting in lieu thereof "Federal Government or the government of the District of Columbia".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING THE JOINT RESOLUTION ESTABLISHING THE AMERICAN REVOLUTION BICENTENNIAL COMMISSION

Mr. FLOWERS. Mr. Speaker, I move to suspend the rules and pass the bill (S. 1538) to amend the joint resolution establishing the American Revolution Bicentennial Commission, as amended.

The Clerk read as follows:

S. 1538

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 7(a) of the joint resolution to establish the American Revolution Bicentennial Commission, and for other purposes, approved July 4, 1966 (80 Stat. 261), as amended, is further amended by striking "\$373,000" and inserting in lieu thereof "\$670,000".

The SPEAKER. Is a second demanded?

Mr. SMITH of New York. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. FLOWERS. Mr. Speaker, I shall be very brief. The bill (S. 1538) as the number indicates has already been passed by the other body and would increase the authorization for fiscal year 1971 for the American Revolution Bicentennial Commission from the figure of \$373,000 to \$670,000.

The bill was introduced as recommended in an executive communication, and, as amended by the Senate, authorizes the amount approved by the House and the Senate in the second supplemental appropriation bill, which was H.R. 8190/Public Law 92-18 May 25 past. The sum of money authorized in the bill is needed to meet the expenses of the Commission in connection with the acceleration of effort in fiscal year 1971 implementing the planning of the development stage of the bicentennial observance.

These plans include commencement of the bicentennial era in the first week of July 1971 which, of course, is only some 2 weeks hence.

Mr. Speaker, as I have stated, the bill S. 1538 was introduced in accordance with the recommendations of an executive communication from the American Revolution Bicentennial Commission. The purpose of the bill is to increase the authorization for appropriations for the American Revolution Bicentennial Commission for fiscal year 1971 from \$373,000 to \$670,000.

As was outlined in the statement accompanying the executive communication, the increase in the authorization is necessary to support supplemental ap-

propriation requests which the President has transmitted to the Congress for the current 1971 fiscal year. The increased authorization and appropriation are made necessary by a considered decision to accelerate implementation of the Commission's July 4, 1970, recommendations for a nationwide bicentennial program, as endorsed by the President on September 11, 1970, during the present fiscal year and to cover obligatory pay increases. This will enable the Commission to reach and assist in a limited fashion, State and local communities, groups and associations such as professional associations, service organizations, patriotic groups and historical and heritage societies, in their initial planning of commemorative programs. The increase in funding will be used primarily for staff and related costs to accomplish these objectives.

The bill, S. 1538, was originally introduced providing for an increase in the authorization to \$675,000. The bill was amended in the Senate to reduce the amount authorized by this bill, \$297,000. This was done so that the additional amount authorized by this bill, \$297,000 is equal to the amount approved by the House and Senate in the bill H.R. 8190 providing for supplemental appropriations for the fiscal year ending June 30, 1971—Public Law 92-18. As to the American Revolution Bicentennial Commission, the bill H.R. 8190 appropriated \$267,000 for activity and planning for the bicentennial and \$30,000 for increased pay and related costs for fiscal 1971. This latter item was included along with similar items to provide funds to the various departments and governmental agencies for expenditures for increased pay costs resulting from Federal comparability pay raises as required by Public Law 91-231 and 91-656 which adjusted the salary rates of civilian statutory salary systems to achieve comparability with rates paid for similar work in private industry—House Report 92-178, 82d Congress, first session, page 54. The regular 1971 appropriations did not allow for these costs.

The American Revolution Bicentennial Commission dates back to July 4, 1966, when it was established under provisions of Public Law 89-491—80 Stat. 259. The statute placed on the Commission the responsibility of planning, encouraging, developing, and coordinating the commemoration during the bicentennial era.

Broadly representative of both the Government and private citizens, the Commission has 35 members. Four are Members of the Senate who are appointed by the President of the Senate, and four are Members of the House of Representatives appointed by the Speaker of the House. Also as members are the Secretary of State, the Attorney General of the United States, the Secretaries of the Interior, Defense, Commerce, Transportation, Health, Education, and Welfare, and Housing and Urban Development, the Librarian of Congress, Secretary of the Smithsonian Institution, Archivist of the United States, and Chairman of the Federal Council on the Arts and Humanities.

Seventeen members are appointed by the President from private life, one of whom is designated by the President to serve as Chairman of the Commission.

Central to the effective discharge of its responsibilities in the development by the Commission of a national plan of commemorative activities throughout the Nation. This is to be in the nature of a report to the President to be transmitted to the Congress recommending activities and observances during the bicentennial era which are appropriate to the bicentennial.

In connection with its consideration of the bill S. 1538, the committee has considered the testimony presented on April 1, 1971, before the Subcommittee on Department of the Interior and Related Agencies of the House Committee on Appropriations. The testimony establishes the fact that the Commission has had to accelerate its efforts in fiscal year 1971 in order to implement the planned development stage of the bicentennial observance which will get underway in fiscal year 1972. As was observed in the Senate report on the bill S. 1538, the primary role of the Commission is to serve as a catalyst in assisting and coordinating State and local bicentennial commissions and with appropriate groups and organizations throughout the country. It was stated that the major part of any funding of such programs will be borne at the local level. The Commission has formulated an action plan to launch the bicentennial era during the first week of July 1971. It was determined that in order to be effective the necessary nationwide grassroots planning would have to begin this year. The supplemental funds authorized by this bill and already approved in the appropriation bill are needed in connection with the preparation and planning now going on for the initial development phase of the bicentennial observance which will begin in July.

The committee carefully considered the facts set forth in the statement accompanying the executive communication and concluded that the Commission has established a firm basis for the authorization provided in this bill. It is recommended that the bill be considered favorably.

Mr. Speaker, there were questions in my own mind when I first considered this legislation and I am sure there might be questions in the minds of other Members. This Commission got through almost the entire fiscal year with the sum of \$373,000, and here we are with some week or 10 days left in this fiscal year, and there is an authorization request here for an additional figure. What does that money entail? What is that money for? First, \$30,000 of this figure is for pay raises that were written into the law when we raised the pay of the civil service and the executive branch some time back.

Additionally, \$267,000 is needed as stated for the accelerated activities of the Bicentennial Commission and for the necessary expense and obligation of funds authorized by this bill and which can be done here in the waning days of June 1971 with the passage of this legislation.

Mr. Speaker, I am convinced that this would be an orderly development in our planning for the American Revolution bicentennial celebration, and I would urge the House to suspend the rules and pass this legislation.

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

Mr. FLOWERS. I yield to the gentleman.

Mr. GROSS. Mr. Speaker, is the gentleman saying that the Commission can properly spend \$297,000 minus the \$30,000, for salary increases in 10 days or at the rate some of \$29,000 a day?

Mr. FLOWERS. To respond to the question of the gentleman from Iowa, I had the same question in my mind, and I asked it of the members of the Commission, and also inquired into the background in the evidence before the Appropriations Subcommittee. It appears that the figures are reasonable for what they are planning to do, what they intend to obligate the funds for.

Mr. GROSS. Is the gentleman saying that they have obligated the money?

Mr. FLOWERS. They have not obligated the money and cannot obligate the money until it is authorized by the Congress. The item was written into the second supplemental appropriations bill, and they cannot obligate it until it is authorized by the Congress.

The regional offices would be set up in such places as Boston, Chicago, Philadelphia, San Francisco, and Atlanta. They would also use part of the funds to develop necessary programs out in the field to accelerate headquarter expansion, that is, the physical renting of office space in these regional office areas and in States that have already set up commissions to go along with the National Commission. Cost projections and other studies and surveys would also be involved. The money has already been appropriated, but language in the appropriation measure made its use contingent on an authorization bill being passed as well.

Mr. GROSS. If the gentleman will yield further, I am sure that this Bicentennial Commission is going to go on, but I just do not understand how, having spent \$300,000 and some-odd up to this point, in this fiscal year, the Commission can possibly spend another \$297,000 in the 10 days until the end of the current fiscal year.

If you are trying to authorize in this bill money to be spent next year, in fiscal 1972, you ought to say so. The bill does provide for 1972. But if this money is to be spent in 1972, the bill ought to say so.

Mr. FLOWERS. To reply to the gentleman from Iowa, this is fiscal 1971 spending. I had the same questions and I satisfied myself that this would be orderly spending of money. Of course, I can say to the gentleman that this measure did not originate with the Judiciary Committee. It originated with an Executive order from the President of the United States, and in his judgment he wanted to accelerate the planning and the early operation of the Bicentennial Commission, and that is how the matter got before the Judiciary Committee and is now before the House.

Mr. GROSS. I appreciate the origin of

the request for this authorization. But I am not as impressed, perhaps, as I should be with the source. I do not always agree with the administration. I try to agree to the best of my ability. But I do not see how this administration or any other figures, that it can spend \$297,000 in 10 days for this purpose. Perhaps I just do not understand the workings—

Mr. FLOWERS. I might say I wish that might be all we would spend in a given 10-day period.

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

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

Mr. CONYERS. Maybe we can spend less than that in 10 days by voting this down. That might be one way of doing it in less than 10 days. What would happen if this bill does not succeed in the House?

Mr. FLOWERS. I would say the money that has been appropriated could not be spent. What this bill proposes to accomplish could not be accomplished or would be put off until another year.

Mr. CONYERS. It would have to go along about at the same rate it has been going along, would it not?

Mr. FLOWERS. I would think so. Of course, we cannot stop the passage of history; 1976 is a year we are anticipating coming along in 5 years. That is the year we want to celebrate, and that is what we want to get ready for.

Mr. SMITH of New York. Mr. Speaker, will the gentleman yield?

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

Mr. SMITH of New York. I thank the gentleman for yielding. I understand that this was an Executive decision to accelerate the work of the Bicentennial Commission.

Consequently, in line with that, hearings were held before the Appropriations Subcommittee. The supplemental appropriation for this additional \$297,000 was passed by the House, subject of course to the authorization.

In pursuance of the Executive decision to accelerate the program in order that the Commission might get to the localities—cities, States, and counties—which are going to have a part, and really the major part, of the bicentennial celebration, they have made contingent design contracts, hoping to be able to accelerate this with a supplemental appropriation, which has been made subject to the authorization. But the activity in speeding up and accelerating this has been done on a contingent basis, hoping that there would be funding for this accelerated addition of \$297,000.

Mr. FLOWERS. I might comment further that the only activity now taking place in connection with this is that they have more or less drafted people from other executive departments to do this on an accelerated, speed-up basis. This further authorization to expenditure would be orderly procedure in planning for the bicentennial celebration.

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

Mr. FLOWERS. I yield to the distinguished gentleman from Missouri.

Mr. HALL. I rise in order to try to clear up this dilemma. It is apparent that this

money could not be wisely expended in the only 9 days remaining, even if by some miracle the bill could become law by midnight tonight.

As I understand it, the gentleman is saying that in the last supplemental appropriation bill there were funds for this purpose contingent upon this authorization being passed, not knocked out on a point of order based on appropriating without legislation; and predicated further on that action there have been obligations made and funds allocated to the States or contracts to the counties or municipalities participating, in order to set up the functions of the bicentennial commission in advance. By acting on this authorization today, and if it becomes law, by taking the identical words from the other body in S. 1538, that will, on becoming law, trigger the previous supplemental appropriation, and the funds will then simply be disbursed to whom they have been obligated. Is that a fair statement?

Mr. FLOWERS. The gentleman has stated it well.

I would go back and comment further, if I might. Sometime in the fall of last year, when the projections for this started around the executive branch, is when this all began. Recommendations were presented to the Appropriation Subcommittee in the early spring of this year, and passed in the second supplemental appropriation bill.

Mr. HALL. If the gentleman will yield further, of course the executive branch knows that we are a legislative body and that we legislate before operating, or we authorize before appropriating.

Mr. FLOWERS. Yes.

Mr. HALL. Regardless of the erstwhileness of the request that came to the gentleman or the committee, I simply want to submit to the Members that we are doing this thing in reverse. If we continue to appropriate without authorizing legislation we are upsetting the very basis of representative government in a Republic, and we are upsetting the very basis of the Reorganization Act of 1949 as well as the one of 1970.

I would stipulate that if we continue in this vein of spending before we authorize and spending before we receive, then we obviate the definition of Ways and Means and this Nation as a limited Republic under a Constitution will not be here to celebrate a tricentennial because it will be much more fiscally bankrupt than we are financially and morally, now.

Mr. FLOWERS. I would agree with the gentleman's comment, but I do not believe this is the place to prove the point, on a bill like this.

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

Mr. FLOWERS. I yield to the distinguished gentleman from Iowa.

Mr. GROSS. I am glad to have the clarification that there has been an obligation of funds in the absence of authorization. That is the point I want to make.

Mr. FLOWERS. It cannot go legally before any authorization.

Mr. GROSS. I thought plans had already been made to set up various offices all over the country.

Mr. FLOWERS. The plans have been made, but funds have not yet been obligated.

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

Mr. FLOWERS. I yield to the gentleman.

Mr. CONYERS. Was the gentleman from Missouri's explanation correct?

Mr. FLOWERS. I would say the gentleman from Missouri explained it very well.

Mr. CONYERS. Thank you.

Mr. SMITH of New York. Mr. Speaker, I merely rise in support of this bill and urge the House to suspend the rules and pass the bill S. 1538.

The SPEAKER. The question is on the motion of the gentleman from Alabama that the House suspend the rules and pass the bill S. 1538.

The question was taken.

Mr. CONYERS. 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 Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 336, nays 24, not voting 73, as follows:

[Roll No. 150]

YEAS—336

Abbt	Abnethy	Abourezk	Abzug	Adams	Addabbo	Alexander	Anderson, Ill.	Andrews, Ala.	Annuozio	Archer	Ashley	Aspin	Aspinall	Baker	Baring	Begich	Belcher	Bell	Bennett	Bergland	Betts	Bevill	Blester	Blackburn	Blanton	Boggs	Boland	Bolling	Bow	Brademas	Brasco	Brinkley	Brooks	Broomfield	Brotzman	Brown, Mich.	Broyhill, N.C.	Broyhill, Va.	Buchanan	Burke, Mass.	Burleson, Tex.	Burlison, Mo.	Burton	Byrne, Pa.	Byrnes, Wis.	Byron	Caffery	Carey, N.Y.	Carney	Carter	Casey, Tex.	Cederberg	Celler	Chamberlain	Clancy	Clark
Clausen,	Don H.	Clawson, Del	Cleveland	Collier	Colmer	Conable	Conte	Corman	Cotter	Coughlin	Crane	Culver	Daniels, N.J.	Davis, Ga.	Davis, S.C.	de la Garza	Delaney	Dellenback	Denholm	Derwinski	Dingell	Dowdy	Drinan	Dulski	Duncan	du Pont	Dwyer	Eckhardt	Edwards, Ala.	Edwards, Calif.	Eilberg	Esch	Evans, Colo.	Ewins, Tenn.	Fascell	Findley	Fish	Fisher	Flood	Flowers	Flynt	Foley	Ford,	William D.	Forsythe	Fountain	Frenzel	Frey	Fulton, Tenn.	Galifianakis	Garmatz	Gaydos	Gialmo	Goldwater	Gonzalez	Goodling
Grasso	Gray	Green, Oreg.	Green, Pa.	Griffin	Griffiths	Gubser	Gude	Hagan	Hamilton	Hammer-	schmidt	Hanley	Hansen, Idaho	Hansen, Wash.	Harrington	Harsha	Harvey	Hastings	Hathaway	Hays	Hébert	Heckler, W. Va.	Heckler, Mass.	Helstoski	Henderson	Hicks, Mass.	Hicks, Wash.	Hillis	Hogan	Hollifield	Horton	Hosmer	Howard	Hull	Hungate	Hutchinson	Ichord	Jacobs	Jarman	Johnson, Calif.	Johnson, Pa.	Jonas	Jones, Ala.	Jones, N.C.	Karth	Kastenmeier	Kazen	Keating	Kee	Keith	Kemp	King	Kluczynski	Koch	Kuykendall	Kyl

Kyros	Landgrebe	Landrum	Latta	Lennon	Link	Lloyd	Long, Md.	Lujan	McClary	McCloskey	McClure	McCollister	McCormack	McDonald,	Mich.	McFall	McKay	McKevitt	McKinney	McMillan	Macdonald,	Mass.	Madden	Mahon	Mailliard	Mann	Martin	Matsunaga	Mayne	Meeds	Melcher	Metcalfe	Mikva	Miller, Calif.	Mills, Ark.	Minish	Mink	Minshall	Mitchell	Mizell	Montgomery	Moorhead	Morgan	Morse	Mosher	Murphy, Ill.	Myers	Natcher	Nedzi	Nelsen	Nichols	Nix	Obey	O'Hara	O'Konski	O'Neill	Passman
Patten	Pelly	Perkins	Pettis	Peyster	Pickle	Pike	Pirnie	Poage	Podell	Poff	Powell	Preyer, N.C.	Price, Ill.	Price, Tex.	Pryor, Ark.	Pucinski	Quile	Quillen	Railsback	Randall	Barick	Rees	Reid, Ill.	Reid, N.Y.	Reuss	Rhodes	Roberts	Robinson, Va.	Robison, N.Y.	Roe	Rogers	Roncallo	Rooney, N.Y.	Rooney, Pa.	Rosenthal	Rostenkowski	Roush	Rousselot	Roybal	Ruth	Ryan	Sandman	Sarbanes	Saylor	Schneebeli	Schwengel	Scott	Shipley	Shoup	Shriver	Sikes	Sisk	Skubitz	Slack	Smith, Calif.	Smith, Iowa	

Smith, N.Y.	Spence	Springer	Stafford	Staggers	Stanton	J. William	Stanton	James V.	Steed	Steele	Steiger, Ariz.	Steiger, Wis.	Stephens	Stratton	Stubblefield	Sullivan	Symington	Talcott	Teague, Calif.	Teague, Tex.	Terry	Thompson, Ga.	Thompson, N.J.	Thomson, Wis.	Thone	Tiernan	Udall	Ullman	Van Deerlin	Vander Jagt	Vanik	Veysey	Waggonner	Waldie	Wampler	Ware	Watts	Whalen	White	Whitehurst	Whitten	Widnall	Wiggins	Williams	Wilson, Bob	Winn	Wright	Wyatt	Wylie	Wyman	Yates	Yatron	Young, Fla.	Young, Tex.	Zablocki	Zwach
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Mr. Blatnik with Mr. Arends.	Mr. Fuqua with Mr. Ashbrook.	Mr. Gettys with Mr. Bray.	Mr. Danielson with Mr. Fulton of Penn-	sylvania.	Mr. Anderson of Tennessee with Mr. Mc-	Ewen.	Mr. Barrett with Mr. Hunt.	Mr. Biaggi with Mr. Grover.	Mr. Hanna with Mr. Mathias of California.	Mr. Jones of Tennessee with Mr. Brown	of Ohio.	Mr. Stuckey with Mr. Mills of Maryland.	Mr. Taylor with Mr. Davis of Wisconsin.	Mr. Purcell with Mr. Dennis.	Mr. Rodino with Mr. Wydler.	Mr. Runnels with Mr. Halpern.	Mr. St Germain with Mr. Dickinson.	Mr. Satterfield with Mr. Michel.	Mr. Edmondson with Mr. Erlenborn.	Mr. Donohue with Mr. Lent.	Mr. Leggett with Mr. McDale.	Mr. Mathis of Georgia with Mr. Eshleman.	Mr. Vigorito with Mr. Riegle.	Mr. Moss with Mr. Ruppe.	Mr. Gibbons with Mr. Whalley.	Mr. Edwards of Louisiana with Mr. Camp.	Mr. Long of Louisiana with Mr. Devine.	Mr. Dow with Mr. Roy.	Mr. Seiberling with Mr. Badillo.	Mr. Gallagher with Mr. Murphy of New	York.	Mr. Bingham with Mr. Clay.	Mr. Mollohan with Mr. Cabell.	Mr. Monagan with Mr. Frelinghuysen.	Mr. Downing with Mr. Chappell.	Mr. Fraser with Mr. Diggs.	Mr. Dorn with Mr. Pepper.	Mr. Patman with Mr. Rangel.
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The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

STATE AND LOCAL LAW ENFORCEMENT IN NATIONAL FORESTS

Mr. SISK. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3146) to authorize the Secretary of Agriculture to cooperate with the States and subdivisions thereof in the enforcement of State and local laws, rules, and regulations within the national forest system. The Clerk read as follows:

H.R. 3146

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Agriculture, in connection with the administration and regulation of the use and occupancy of the national forests and national grasslands, is authorized to cooperate with any State or political subdivision thereof, on lands which are within or part of any unit of the national forest system, in the enforcement or supervision of the laws or ordinances of a State or subdivision thereof. Such cooperation may include the reimbursement of a State or its subdivision for expenditures incurred in connection with activities on national forest system lands. This Act shall not deprive any State or political subdivision thereof of its right to exercise civil and criminal jurisdiction, within or on lands which are a part of the national forest system.

The SPEAKER. Is a second demanded? Mr. BELCHER. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered. There was no objection.

Mr. SISK. Mr. Speaker, the purpose, simply stated, of H.R. 3146 is to author-

NAYS—24

Anderson, Calif.	Andrews, N. Dak.	Burke, Fla.	Chisholm	Collins, Ill.	Collins, Tex.	Conyers
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NOT VOTING—73

Anderson, Tenn.	Arends	Ashbrook	Badillo	Barrett	Biaggi	Bingham	Blatnik	Bray	Brown, Ohio	Cabell	Camp	Chappell	Clay	Danielson	Davis, Wis.	Dennis	Dent	Devine	Dickinson	Diggs	Donohue	Dorn	Dow										
Daniel, Va.	Dellums	Gross	Haley	Hall	Hawkins	Mazzoli	Miller, Ohio	Scherle	Downing	Edmondson	Edwards, La.	Erlenborn	Eshleman	Ford, Gerald R.	Moss	Murphy, N.Y.	Patman	Pepper	Purcell	Rangel	Riegle	Rodino	Roy	Runnels	Ruppe	St Germain	Satterfield	Seiberling	Stuckey	Taylor	Vigorito	Whalley	Wydler

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The Clerk announced the following pairs: Mr. Dent with Mr. Gerald R. Ford.

ize the Secretary of Agriculture to cooperate with any State or political subdivision thereof in the enforcement of State or local laws on lands of the national forest system. Such cooperation could include reimbursement to a State or its subdivision for expenditures incurred in connection with activities on national forest system lands.

Mr. Speaker, this need comes about from the fact there is an increasing use of the national forest system. A great number of people today are visiting our national forests. The problems of law enforcement and the protection of visitors to these areas is becoming almost an impossible burden on local law enforcement officers.

This would provide for the Secretary of Agriculture to approve cooperative agreements, and they would then compensate the local subdivisions, counties, or State police officers in the enforcement of the law and would relieve the necessity for the creation of a Federal police force, which I am certain none of us want.

It is felt that this is the most economical way to handle the situation.

Therefore, Mr. Speaker, I urge the enactment of this legislation.

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

Mr. Speaker, this is a good bill. All counties cannot take care of all these forest parks. The only way that they could keep law enforcement in these areas would be to set up police officers for all these parks. I think this is the best way to take care of law enforcement in these parks and I favor the bill.

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

Mr. BELCHER. Yes; I yield to the gentleman from Iowa.

Mr. GROSS. Is this confined to small counties?

Mr. BELCHER. No; it applies to any county.

Mr. GROSS. To any county large or small?

Mr. BELCHER. Yes; but there are not very many large counties located near our forest parks.

Mr. GROSS. And does the cost to the Federal Government go from \$4.7 million in 1972 to \$9,446,000 in fiscal 1976?

Mr. BELCHER. I think that is correct.

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

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

Mr. SISK. Yes. Of course, I might say to my good friend, the gentleman from Iowa (Mr. Gross), the costs are outlined in the report of the Department at the top of page 5 thereof. These, of course, are estimated costs.

There is not any question but what there will be an increase in the number of people going into national forests which, of course, will determine pretty much the cost involved. I think it would be difficult to pinpoint that cost exactly.

As the gentleman knows, daily, we have tens of millions of man-days in the national forests, people coming from the cities, and this is increasing at a very rapid rate.

The costs are calculated over the period of the next 5 years.

Mr. GROSS. And this is only in our national forests; is that correct?

Mr. BELCHER. That is right. The thing that brought about this need were riots in these forests when the people went in there—you might say the hippies went in there—and vandalized and destroyed properties. The smaller counties could not take care of the law enforcement and we did not have police officers in the national parks or national forests. So, when they needed law enforcement, the Secretary of Agriculture made a contract with the local enforcement officials in order to take care of that situation.

Mr. GROSS. I thank the gentleman from Oklahoma for yielding, and for his explanation.

Mr. JOHNSON of California. Mr. Speaker, I rise in support of H.R. 3146, a bill to authorize the Secretary of Agriculture to cooperate with the States and subdivisions thereof in the enforcement of State and local laws, rules and regulations within the national forest system.

This proposal would meet a very pressing need for improved law enforcement on our national forest lands. As the representative of a California district that includes nearly 13 million acres of national forests, all of 10 national forests and parts of four others, I am well acquainted with this difficulty.

In the last several years there has been considerable hue and cry about the issue of law and order. In fact, Mr. Speaker, in my 1971 legislative poll, the results of which were just tabulated, people of California, whom I represent, expressed that the problem of law and order is the most serious of any which this Nation faces today. All of us, I am sure, understand the need for proper law enforcement. And I am sure we are all aware of the well-recognized and long-standing governmental responsibilities in this area. H.R. 3146 would fulfill an unmet Federal responsibility for maintaining law and order.

It would meet a recurring problem which the State and local governments cannot adequately handle and which they should not be expected to handle without Federal support.

National forest lands are being used more and more intensively. During holidays and weekends these lands are often virtually inundated by tourists who come to take advantage of the recreational, scenic, and other assets of these forests.

The sheer number of people trying to enjoy these areas created a temporary law enforcement problem in itself, and other factors sometimes add to that problem. Even during periods of normal use, however, there still is an increasing strain on the ability of the State and local law enforcement agencies to provide adequate coverage.

Too frequently local governments find that only a very minimal amount of tourist dollars can be translated into general tax revenues.

In California, for example, local sales taxes include an exemption for grocery items, for which much of the tourist dollar is spent.

Other sources of revenue, such as the 25 percent of national forest receipts are earmarked for special purposes, largely roads and schools. In short, because national forest lands are not included on local property tax rolls, there is little offsetting compensation to local government for the costs of general government operations such as law enforcement.

Last year there were more than 29 million visitor days on national forest lands in the Second Congressional District alone. In other words the equivalent of 29 million persons spent 1 day apiece on national forest land. The point is this: there was intensive usage of nontaxable land and there were considerable problems for State and local governments that had to meet the expensive costs of adequate law enforcement.

Some examples:

Alpine County has a population of just 484. Yet last year, the national forest lands which comprise almost all of the county, was visited by the equivalent of 1,113,000 tourists for a single day.

The equivalent of more than 3,900,000 1-day tourists visited Mono County, which has a population of 4,016. As many as 9,000 persons came to a single area of that county, Mammoth Lake, during peak winter weekends.

Nearly 1,230,000 visitor-days of use were recorded on the national forests of Sierra County, population 2,365.

At Pinecrest, Tuolumne County, as many as 16,000 persons have flocked to an area with a permanent population of only 2,500. Similar problems have been recorded at Bass Lake in Madera County and at Shasta Lake in Shasta County, and for that matter all through the Second Congressional District.

The county government ends up by paying the salary overtime, food expenses, car expenses, to name but a few.

These situations are repeated over and over again throughout the national forest areas. It is important to emphasize that 80 to 90 percent of the land in several of these counties is owned by the Federal Government and therefore is exempt from local property tax rolls.

Mr. Speaker, the people are going to visit these recreation areas. There is no doubt about it and visitations increase steadily and rapidly from year to year. Someone must provide for the protection of these visitors, for the protection of their property, and for the protection of Federal property. This is a function of law enforcement.

Forest rangers are not cut out to be policemen and should not be doing the work done by regular law-enforcement officers. Since the State and local governments are straining now to provide what service they can, the Forest Service has to try to bridge the gap. It is forced to expand Federal encroachment on a responsibility that the State and local governments want to shoulder, but cannot because of limited funds.

These problems could be met by merely increasing the Federal law-enforcement role. But there is a better way—a way which would recognize the fact that law enforcement is primarily a State and local responsibility. H.R. 3146 recognizes the State and local prerogatives for legislating and enforcing basic criminal and civil laws. This legislation is consistent with the sense of Congress and administration as stated in Public Law 90-351:

Congress finds further that crime is essentially a local problem that must be dealt with by State and local governments if it is to be controlled effectively.

It is therefore the declared policy of the Congress to assist State and local governments in strengthening and improving law enforcement at every level by national assistance.

Therefore, I believe the proposal we have before us today offers a much more realistic and reasonable solution to the problem, one which is compatible with our basic philosophy of local, State and Federal governmental relations. In H.R. 3146, the Secretary of Agriculture would be authorized to reimburse State and local governments for law enforcement expenses incurred on National Forest System lands. The bill would in no way interfere with the rights of the State and local governments to exercise civil and criminal jurisdiction. What it would do is give the State and local law enforcement agencies the funds they desperately need to provide the service and protection the public deserves and should have on National Forest System lands.

Chief Edward P. Cliff has written me:

The Forest Service exercise "proprietary interest only" jurisdiction on virtually the entire National Forest System. Under this type of jurisdiction, the civil and criminal laws of a State apply to acts committed on the National Forests.

Forest Service officers are trained in investigation and assist prosecution of cases under State laws. They have cooperated with State and local law enforcement officers. But nevertheless there is a recognized law enforcement problem, especially during periods of intensive use. The State and local governments bear the brunt of the responsibility for providing extra officers and equipment. They need help, and they deserve it.

I believe, Mr. Speaker, there is adequate precedent for this approach within the U.S. Forest Service for this approach. I cite to you the outstanding program of State and private forest cooperation which, with a minimal amount of money, achieve substantial benefits in the field of insect and disease control, fire prevention and suppression, flood control, and so forth.

In conclusion, I urge my colleagues to give favorable consideration of the bill H.R. 3146.

Thank you.

The SPEAKER. The question is on the motion of the gentleman from California that the House suspend the rules and pass the bill H.R. 3146.

The question was taken.

Mr. ROSTENKOWSKI. 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 Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 360, nays 2, not voting 70, as follows:

[Roll No. 151]
YEAS—360

Abbutt	Dorn	Koch
Abernethy	Dowdy	Kuykendall
Abourezk	Drinan	Kyl
Abzug	Dulski	Kyros
Adams	Duncan	Landgrebe
Addabbo	du Pont	Landrum
Alexander	Dwyer	Latta
Anderson,	Edwards, Ala.	Lennon
Calif.	Elberg	Link
Anderson, Ill.	Esch	Lloyd
Andrews, Ala.	Evans, Colo.	Long, Md.
Andrews,	Evins, Tenn.	Lujan
N. Dak.	Fascell	McClary
Annunzio	Findley	McCloskey
Archer	Fish	McClure
Ashley	Fisher	McCollister
Aspin	Flood	McCormack
Aspinall	Flowers	McDade
Baker	Foley	McDonald,
Baring	Ford,	Mich.
Begich	William D.	McFall
Belcher	Forsythe	McKay
Bell	Fountain	McKevitt
Bennett	Fraser	McKinney
Bergland	Frelinghuysen	McMillan
Betts	Frenzel	Macdonald,
Bevill	Frey	Mass.
Blester	Fulton, Tenn.	Madden
Blackburn	Galifianakis	Mahon
Blanton	Garmatz	Mailliard
Boggs	Gaydos	Mann
Boland	Giulmo	Martin
Bolling	Goldwater	Matsunaga
Bow	Gonzalez	Mazzoli
Brademas	Goodling	Meeds
Brasco	Grasso	Melcher
Brinkley	Gray	Metcalfe
Brooks	Green, Oreg.	Michel
Broomfield	Green, Pa.	Mikva
Brotzman	Griffin	Miller, Calif.
Brown, Mich.	Griffiths	Miller, Ohio
Broyhill, N.C.	Gross	Mills, Ark.
Broyhill, Va.	Gubser	Minish
Buchanan	Gude	Mink
Burke, Fla.	Hagan	Minshall
Burke, Mass.	Haley	Mitchell
Burleson, Tex.	Hall	Mizell
Burlison, Mo.	Hamilton	Montgomery
Burton	Hammer	Moorhead
Byrne, Pa.	Hammer-	Morgan
Byrnes, Wis.	schmidt	Morse
Byron	Hanley	Mosher
Cabell	Hansen, Idaho	Murphy, Ill.
Caffery	Hansen, Wash.	Murphy, N.Y.
Camp	Harrington	Myers
Carey, N.Y.	Harsha	Natcher
Carney	Harvey	Nedzi
Carter	Hastings	Nelson
Casey, Tex.	Hathaway	Nichols
Cederberg	Hays	Nix
Celler	Hechler, W. Va.	Obey
Chamberlain	Heckler, Mass.	O'Hara
Chappell	Helstoski	O'Konski
Clancy	Henderson	O'Neill
Clark	Hicks, Mass.	Passman
Clausen,	Hicks, Wash.	Patten
Don H.	Hillis	Pepper
Clawson, Del.	Hogan	Perkins
Cleveland	Hollifield	Pettis
Collier	Horton	Feyser
Collins, Ill.	Hosmer	Pickle
Collins, Tex.	Howard	Pike
Colmer	Hull	Pirnie
Conable	Hungate	Poage
Conte	Hutchinson	Podell
Corman	Ichord	Poff
Cotter	Jacobs	Powell
Coughlin	Jarman	Preyer, N.C.
Crane	Johnson, Calif.	Price, Ill.
Culver	Johnson, Pa.	Price, Tex.
Daniel, Va.	Jonas	Pryor, Ark.
Daniels, N.J.	Jones, Ala.	Pucinski
Davis, Ga.	Jones, N.C.	Qule
Davis, S.C.	Karth	Quillen
de la Garza	Kastenmeier	Rallsback
Delaney	Kazen	Randall
Dellenback	Keating	Rangel
Denholm	Kee	Farick
Derwinski	Keith	Rees
Devine	Kemp	Reid, Ill.
Diggs	King	
Dingell	Kluczynski	

Reid, N.Y.	Sisk	Udall
Reuss	Skubitz	Ullman
Rhodes	Slack	Van Deerin
Roberts	Smith, Calif.	Vander Jagt
Robinson, Va.	Smith, Iowa	Vanik
Robison, N.Y.	Smith, N.Y.	Veysey
Roe	Snyder	Waggoner
Rogers	Spence	Waldie
Roncalio	Springer	Wampler
Rooney, N.Y.	Stafford	Ware
Rooney, Pa.	Staggers	Watts
Rosenthal	Stanton,	Whalen
Rostenkowski	J. William	White
Roush	Stanton,	Whitehurst
Rousselot	James V.	Whitten
Roybal	Steed	Widnall
Ruppe	Steele	Wiggins
Ruth	Steiger, Ariz.	Williams
Sandman	Steiger, Wis.	Winn
Sarbanes	Stephens	Wolf
Saylor	Stokes	Wyatt
Scherle	Stubblefield	Wylie
Scheuer	Sullivan	Wyman
Schmitz	Symington	Yates
Schneebeli	Talcott	Yatron
Schwengel	Teague, Calif.	Young, Fla.
Scott	Teague, Tex.	Young, Tex.
Sebelius	Thompson, Ga.	Zablocki
Shipley	Thompson, N.J.	Zion
Shoup	Thompson, Wis.	Zwack
Shriver	Thone	
Sikes	Tiernan	

NAYS—2

Ryan	Terry
Anderson,	Edmondson
Tenn.	Edwards, Calif.
Arends	Edwards, La.
Ashbrook	Erlenborn
Badillo	Eshleman
Barrett	Ford, Gerald R.
Blaggi	Fulton, Pa.
Bingham	Fuqua
Blatnik	Gallagher
Bray	Gettys
Brown, Ohio	Gibbons
Chisholm	Grover
Clay	Halpern
Conyers	Hanna
Danielson	Hawkins
Davis, Wis.	Hébert
Dellums	Hunt
Dennis	Jones, Tenn.
Dent	Leggett
Dickinson	Lent
Donohue	Long, La.
Dow	McCulloch
Downing	McEwen
Eckhardt	Mathias, Calif.

NOT VOTING—70

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The Clerk announced the following pairs:

Mr. Dent with Mr. Gerald R. Ford.
 Mr. Blatnik with Mr. Arends.
 Mr. Fuqua with Mr. Ashbrook.
 Mr. Gettys with Mr. Bray.
 Mr. Danielson with Mr. Fulton of Pennsylvania.
 Mr. Anderson of Tennessee with Mr. McEwen.
 Mr. Barrett with Mr. Hunt.
 Mr. Biaggi with Mr. Grover.
 Mr. Hanna with Mr. Mathias of California.
 Mr. Jones of Tennessee with Mr. Brown of Ohio.
 Mr. Stuckey with Mr. Mills of Maryland.
 Mr. Taylor with Mr. Davis of Wisconsin.
 Mr. Purcell with Mr. Dennis.
 Mr. Rodino with Mr. Wydler.
 Mr. Runnels with Mr. Halpern.
 Mr. St Germain with Mr. Dickinson.
 Mr. Satterfield with Mr. Wright.
 Mr. Edmondson with Mr. Erlenborn.
 Mr. Donohue with Mr. Lent.
 Mr. Leggett with Mr. Stratton.
 Mr. Mathis of Georgia with Mr. Eshleman.
 Mr. Vigorito with Mr. Riegle.
 Mr. Moss with Mr. Bob Wilson.
 Mr. Gibbons with Mr. Whalley.
 Mr. Edwards of Louisiana with Mr. Charles H. Wilson.
 Mr. Long, Louisiana with Mr. Hébert.
 Mr. Dow with Mr. Roy.
 Mr. Seiberling with Mr. Badillo.

Mr. Gallagher with Mr. Hawkins.
Mr. Bingham with Mr. Clay.
Mr. Molohan with Mrs. Chisholm.
Mr. Monagan with Mr. Conyers.
Mr. Downing with Mr. Eckhardt.
Mr. Edwards of California with Mr. Dellums.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

TO EXTEND THE CABINET COMMITTEE ON OPPORTUNITIES FOR SPANISH-SPEAKING PEOPLE

Mr. HOLIFIELD. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7586) to amend the act of December 30, 1969, establishing the Cabinet Committee on Opportunities for Spanish-speaking People, to authorize appropriations for 2 additional years.

The Clerk read as follows:

H.R. 7586

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 10 of the Act entitled "An Act to establish the Cabinet Committee on Opportunities for Spanish-Speaking People, and for other purposes", approved December 30, 1969 (42 U.S.C. 4310), is amended by striking out "and 1971" and inserting in lieu thereof ", 1971, 1972, and 1973".

The SPEAKER. Is a second demanded?

Mr. HORTON. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

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

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

Mr. HOLIFIELD. Mr. Speaker, I know the House is impatient to move along with the work of the House today, so I will try to be as brief as I possibly can.

Mr. Speaker, H.R. 7586 will authorize appropriations for fiscal years 1972 and 1973 for the Cabinet Committee on Opportunities for Spanish-Speaking People. The Cabinet Committee was created by statute in the 91st Congress at which time it was given a duration of 5 years, but the specific authorization for appropriations extended only for fiscal years 1970 and 1971. Hence, it is necessary that this authorizing legislation be enacted if the Cabinet Committee is to be eligible to receive appropriated funds after June 30.

This bill has been approved by the Office of Management and Budget and the President's budget contains a request of \$860,000 for the Cabinet Committee for fiscal year 1972.

The Cabinet Committee on Opportunities for Spanish-Speaking People was created to help "assure that Federal programs are reaching all Mexican Americans, Puerto Rican Americans, Cuban Americans, and all other Spanish-speaking and Spanish-surnamed Americans and providing the assistance they need, and to seek out new programs that may be necessary to handle problems that are unique to such persons."

According to testimony there are more than 10 million persons in the United States who are in the Spanish-speaking category.

The committee is composed of the Secretary of Agriculture; the Secretary of Commerce; the Secretary of Labor; the Secretary of Health, Education, and Welfare; the Secretary of Housing and Urban Development; the Secretary of the Treasury; the Attorney General; the Director of the Office of Economic Opportunity; the Administrator of the Small Business Administration; the Commissioner of the Equal Employment Opportunity Commission most concerned with the Spanish-speaking and Spanish-surnamed Americans; and the Chairman of the Civil Service Commission. The Chairman of the Cabinet Committee serves full time and is appointed by the President "from among individuals who are recognized for their knowledge of and familiarity with the special problems and needs of the Spanish-speaking." At this time there is a vacancy in the office of Chairman. He receives compensation at executive level V—\$36,000 per year.

The specific functions of the Cabinet Committee are:

First, to advise Federal departments and agencies regarding appropriate action to be taken to help assure that Federal programs are providing the assistance needed by Spanish-speaking and Spanish-surnamed Americans; and

Second, to advise Federal departments and agencies on the development and implementation of comprehensive and coordinated policies, plans, and programs focusing on the special problems and needs of Spanish-speaking and Spanish-surnamed Americans, and on priorities thereunder.

The Cabinet Committee may consult with and obtain information and assistance—including personnel—from other Federal departments and agencies. An Advisory Council was to be established under the law but this has not yet been set up.

During our hearings we were advised by the Executive Director of the Cabinet Committee that there were currently 43 staff members employed and this was expected to increase to 45 in fiscal year 1972. Assignments of the staff have been divided into the following major divisions: Manpower, migrant affairs, housing, education, economic development and intergovernmental affairs.

Mr. Speaker, I think the decision to create this Cabinet Committee was a wise one and I will not repeat today the arguments then made. It is sufficient to say that the Committee represents the response of our Government to the problems of a significant segment of our population.

It is true the Committee has had organizational problems and presently is without a chairman. Congressman FRANK HORTON and I have written to the President asking him to make this appointment as soon as possible so the vital work of the Cabinet Committee can go forward in the most effective manner. I dare say, however, we can hardly point to any new agency that started off smoothly. There always seems to be a shakedown period. For the Cabinet Committee, I believe the shakedown period is nearly over and it should sail in calmer waters.

I hope the bill will be passed by an overwhelming vote.

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

Mr. HOLIFIELD. I yield to the gentleman.

Mr. GROSS. What is the number of the present staff?

Mr. HOLIFIELD. Forty-three and two more are contemplated.

Mr. GROSS. What was the money request on this?

Mr. HOLIFIELD. \$860,000. The cost will be \$860,000 a year for this year and next fiscal year.

Mr. GROSS. I thought that in the next 2 fiscal years the cost would be about \$1,700,000.

Mr. HOLIFIELD. That is right. It is \$860,000 for the coming fiscal year, and \$850,000 for the second year, making it over \$1,700,000.

Mr. GROSS. At least it is limited for 2 years?

Mr. HOLIFIELD. That is right.

We were requested to make it for a 3-year period, and we decided we had better make it for 2 years, and then take a look after the 2 years to see if it deserves to be extended.

Mr. GROSS. And the gentleman says they are going to increase the staff by how many?

Mr. HOLIFIELD. By two people, increasing the staff from 43 to 45.

Mr. GROSS. And the cost goes up?

Mr. HOLIFIELD. Yes, mostly because of the statutory increase in wages.

Mr. GROSS. I guess there is no way to stop the hiring of wet nurses by this Government, so I yield to the inevitable, and thank the gentleman for yielding to me.

Mr. HOLIFIELD. I thank the gentleman from Iowa for his cooperation.

Mr. HORTON. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, the need for the Cabinet Committee on Opportunities for Spanish-Speaking People is as great now as it was 2 years ago when it was first authorized.

As the Members may read in the report on this bill, the Cabinet committee has had several successes in spite of the difficulties encountered during its first years of existence. We feel that many of the present problems of the Cabinet committee would disappear if the President were to appoint a chairman to the Cabinet committee, a post which has been vacant for 6 months. I joined with the chairman in sending a letter to the President expressing our hope and expectations that this appointment would be made soon.

It is necessary that we pass this bill now if the Cabinet committee is to continue operating after June 30, 1971. The minority members of the Government Operations Committee unanimously supported this bill to authorize appropriations for 2 additional years for the Cabinet committee, and I urge all Members of the House to do so.

I believe it would be useful to the Members to have the benefit of the analysis made by the Cabinet committee of the circumstances of the Spanish speaking in America today. This material is taken from a draft of the annual report of the Cabinet committee; its release has been approved by the executive director of that committee. The full annual re-

port should be released within the next month.

The material follows:

FROM A DRAFT OF THE ANNUAL REPORT OF THE CABINET COMMITTEE ON OPPORTUNITIES FOR SPANISH-SPEAKING PEOPLE

A realistic estimate of the number of Spanish-speaking citizens of the United States, including the Commonwealth of Puerto Rico, approximates 15 million. This total ranks the United States in fifth position among the nations of the world having Spanish-speaking populations. Only Mexico, Spain, Argentina and Colombia surpass the United States in total number of Spanish-speaking citizens, whereas the United States outranks the 15 remaining nations of the world having heavy Spanish speaking populations, including Peru, Venezuela and Chile.

Within the United States, however, this segment of the population makes up the Nation's second largest minority, and as a minority it has received a considerable share of societal neglect and indifference. The social well-being of any group in a society is gauged by how it measures up in overall income, employment, health, and educational achievement. In the key categories of income, employment and educational levels, the Spanish-speaking population of the United States is clearly a disadvantaged minority. It ranks at the bottom of the scale, absolutely last. Figures published by the U.S. Bureau of the Census in February 1971* show the following:

Spanish origin family income was on the average \$5600 annually, about 70 per cent of that of other families.

Spanish origin persons had an unemployment rate of 6%, about 1.7 times the unemployment rate of all other persons in the labor force.

Spanish origin workers were less likely to hold white-collar jobs than the remaining employed population.

Educational level of Spanish origin persons 35 years old or older was 8.5 years compared to the national median of 12.0 years in the same age group.

In the 25 to 34 years of age category, Spanish origin persons registered an educational level of 11.7 years as compared to the national median of 12.6 years.

Spanish origin persons are the only ethnic group to register educational attainment below the 12.0 years high school level.

The makeup of this disadvantaged minority is a diverse amalgam of Mexican, Puerto Rican, Cuban and other Spanish derivation. They share the commonality of language and a distinctive cultural heritage. An actual count of this segment of the population has never been undertaken. However, the Cabinet Committee was instrumental in having the Census Bureau, for the first time in 1969, identify and accumulate data on the Spanish-speaking people as a separate ethnic entity. In the latest 1970 census, a sample survey method was utilized to project a population estimate for this group. The use of Spanish surnames as a basis for statistical data, although recognizably the best possible method, was not a complete count, and thus resulted in greatly understating the total population figure. Cabinet Committee investigation reveals a total of approximately 12 million Spanish-speaking in the continental United States complemented by the 2.8 million located in Puerto Rico proper. Spanish-speaking citizens can now be found in every state. The largest single group are Mexican Americans, comprising over 60% of the total. They are concentrated in the five southwestern states of Arizona, Califor-

nia, Colorado, New Mexico and Texas. However, sizable concentrations are now located in the states of Washington, Illinois, Indiana, Wisconsin, Kansas, Ohio and Utah, with the city of Chicago showing a particularly high concentration. The Puerto Rican population is the second largest group of Spanish-speaking Americans. Their locale extends from coast to coast and particularly heavy concentrations are located in the cities of New York, Philadelphia, Newark, Hoboken, Jersey City, Chicago, Los Angeles and the state of Florida.

Cubans are the third largest single entity, now numbering in excess of 500,000. Miami and New York are the cities with the largest concentrations of this group with Philadelphia and New Orleans also showing sizable elements. A growing number of immigrants from other Latin American countries are also settling in the United States. They number in excess of 1.5 million and they are concentrated along the East Coast. An estimated 75,000 live in the Washington, D.C., metropolitan area. While a sizable proportion of the Spanish-speaking population are, like most Americans, descendants of immigrants or immigrants themselves, it contains within its numbers the largest native minority of this Country. The first Spanish settlers arrived in the Southwest in 1540 well before the Pilgrims, and began settlements that evolved into the significant Spanish-speaking population found in the southwestern region of the United States.

For the Spanish-speaking people of the United States, there has been a conspicuous exclusion from the socio-economic mainstream, stemming in part from their distinctive bicultural, bilingual characteristics. Of any single ethnic group, they remain the least "Americanized," resisting in some measure the complete acculturation and assimilation embraced by other ethnic groups. They simply have not been willing to abandon their cultural and linguistic heritage. The persistence of the Spanish language within this group is a remarkable phenomenon without contemporary parallel in the United States.

But the problems of a minority group are not necessarily inherent to that minority group. One must recognize that invariably there is a failure in societal institutions to relate effectively to members of a minority group and to remove societal obstructions to achievement. A group may be considered disadvantaged if society at large has acted by omission or commission to hinder a disproportionate number of its members in the development of their individual abilities. There is considerable evidence that American societal institutions have acted in such a manner towards Spanish-speaking Americans. It was to remedy such a situation that the Cabinet Committee on Opportunities for the Spanish Speaking was created on December 30, 1969 as a successor to the Inter Agency Committee on Mexican Affairs. Its mandate and name was changed to encompass all Spanish-speaking Americans: Mexican Americans, Puerto Rican, Cubans, etc. The bill establishing the Committee gave it a 5 year life span. In addition to the Chairman, who is appointed by the President, Committee Members include:

- Secretary of Agriculture.
- Secretary of Commerce.
- Secretary of Labor.
- Secretary of Health, Education, and Welfare.
- Secretary of Housing and Urban Development.
- Secretary of the Treasury.
- Attorney General.
- Director of the Office of Economic Opportunity.

Administrator of the Small Business Administration.

Commissioner of the Equal Employment Opportunity Commission.

Chairman of the Civil Service Commission.

This 12 member committee is required to meet four times a year to review the problems of the Spanish-speaking and the progress which has been made towards meeting them.

The Committee has sought to advocate equal employment opportunities for the Spanish-speaking in the Federal government, equitable distribution of federal services, programs and funds to meet the needs of the Spanish-speaking and the provision of technical assistance in program areas designed to meet the unique needs of the Spanish-speaking.

The Spanish-speaking citizen of this Country is not merely a problem to be solved. He represents a human resource and a specialized talent. Instead of considering his language characteristic a barrier and impediment to success, it can represent an asset to be advantageously utilized. He merely asks for the opportunity to reach his own potential in a pluralistic society. The Cabinet Committee is resolved to assist the Spanish-speaking citizen of this Country, not only to achieve socio-economic parity, but also to achieve his full potential. Attainment of parity is not necessarily the upper limit of a group's achievement. It seems possible and likely that the Spanish-speaking people of this Country may exceed the norm. In any case, an expenditure of effort to alleviate their present plight represents an investment that will certainly engender great dividends for this Country in the future.

Mr. McCLORY. Mr. Speaker, I wish to add my support to a bill, H.R. 7586, to extend the provisions of the Cabinet Committee on Opportunities for Spanish-Speaking People, in order that additional appropriations may be made to support this program.

In my 12th Congressional District of Illinois, there are many thousands of Spanish-speaking Americans—including Americans from Puerto Rico, Mexican Americans, as well as from other parts of Latin America and from Spain.

Mr. Speaker, in meeting the needs of these American citizens, assistance is required to provide training and job opportunities and to assist in securing education and housing, and to encourage the economic development of these loyal Americans.

Mr. Speaker, it was my privilege Friday evening to serve as the keynoter at the Illinois State convention of the American GI Forum of the United States.

This group of Illinois veterans—principally of Mexican-American backgrounds—consists of some 300 members of the Lake County Chapter of the GI Forum and more than a thousand members of the State of Illinois who met in Waukegan for their annual State convention.

Mr. Speaker, in our efforts to recognize the dedication of these fine citizens, we should also be mindful of their problems—all of which appear to be the primary concern of the Cabinet Committee on Opportunities for Spanish-Speaking People. Accordingly, it is consistent with their aims and the policy of our administration to continue the authority for funding this agency.

Mr. Speaker, I urge my colleagues to support H.R. 7586 with the further ex-

*Population Characteristics, Persons of Spanish Origin in the United States: November 1969, U.S. Bureau of the Census, Series P-20, No. 213, February 1971.

pectation that adequate appropriations will be made to fund this essential activity in behalf of the Spanish-speaking people of our Nation.

Mr. BADILLO. Mr. Speaker, I rise to express my deep concern over the manner in which the Cabinet Committee on Opportunities for Spanish-Speaking People has failed miserably to fulfill the lofty goals and objectives which were announced when it was first established in 1969.

We were told that the Cabinet Committee was created to help assure that Federal programs reach all Mexican Americans, Puerto Ricans, Cubans, and other Spanish-speaking and Spanish-surnamed Americans. Speaking for Puerto Ricans, both those on the island and on the mainland, the CCOS has done virtually nothing to assist us in receiving our full and fair share of Federal aid and to be treated on the same basis as other American citizens. As I have noted in the past, the hard facts and statistics prove that Puerto Rican Americans frequently fail to benefit from numerous urgently needed assistance programs in housing, education, welfare, and other critical areas. Although exact figures are not available, it is well known that Puerto Ricans have a higher unemployment rate than blacks; a lower median income; and a greater percentage of school dropouts. More than 60 percent of Puerto Rican students on the mainland never finish high school. Where was the Cabinet Committee and what did it do to assist the 1.5 million Puerto Ricans on the mainland? For that matter, of the 43 staff members employed by the Cabinet Committee, how many are Puerto Rican? Frankly, Mr. Speaker, the Cabinet Committee has done so little for the Puerto Ricans that most of us are not even aware of its existence.

However, in discussing the work of the Committee with some of my Mexican-American colleagues and Cuban acquaintances, I find that it has done almost as little for them as it has for Puerto Ricans. Spanish-speaking Americans continue to be treated as second-class citizens and we have been prevented, by one device or another, from fully participating in the U.S. social, economic, and political life. Spanish-speaking Americans, whether we be Puerto Rican, Mexican American, or Cuban, have special and unique problems and needs and I, for one, have not seen any meaningful or significant movement on the part of the Cabinet Committee to help effect solutions to these problems or responses to our needs.

Perhaps one of the primary reasons that the Cabinet Committee has not been effective is due to the apparent lack of support on the part of the current administration. Why, for example, has the President failed to appoint a chairman, even though this position has been vacant for some 6 months? Is there any truth to the rumor that the President intends to abolish the Cabinet Committee entirely and appoint one person to be responsible for dealing with Spanish-speaking Americans? This attitude is simply another example of the administration's callous disregard for the

plight and needs of Spanish-speaking Americans and its inability to grapple with the problems of poverty, deprivation and disease with which we are faced. Is there any meaningful commitment on the part of this administration to assist Mexican Americans, Cubans, Puerto Ricans, and other Spanish-speaking citizens? An answer to this question can be found in the very few Spanish-speaking Americans currently employed by the seven Cabinet departments and the four agencies comprising the Cabinet Committee.

Mr. Speaker, although my remarks have not been complimentary, I do feel there is a definite place and need for the Cabinet Committee. With dynamic, capable, and energetic leadership and with the full moral, legal, and financial support of the administration, the Cabinet Committee could have the potential of being a vehicle through which Spanish-speaking Americans can achieve our rightful place in this country and receive the guidance and assistance to which we are entitled. Furthermore, the CCOS could serve as a central repository for complete information and data on Spanish-speaking Americans, something which does not currently exist and for which there is a pressing need. With some muscle and much-needed fortitude the Cabinet Committee could become the advocate for Spanish-speaking Americans in a multitude of areas—housing, employment, education, consumer protection, civil liberties, and so on.

It is perfectly clear, however, that before the Cabinet Committee can effectively undertake the tasks for which it was created, it must both get its own house in order and must achieve the full backing and active support of this administration. There is obviously going to have to be a considerable amount of changed priorities and thinking on the part of Mr. Nixon and his advisers. Up to this point the pleas for aid and understanding by Spanish-speaking Americans have been met with nothing more than vague, meaningless promises and inaction. This intolerable situation cannot be permitted to continue and a properly administered and directed Cabinet Committee could assist us in bringing about essential and long-overdue reforms. A first step in this direction would be for the President to immediately appoint a chairman of the Cabinet Committee and to invite him to sit on the Domestic Council.

Mr. Speaker, I intend to support H.R. 7586 in the hope that the problems of which I spoke earlier will cease and that the Cabinet Committee will rededicate itself to those principles upon which it was founded. Positive action must replace complacency and results must replace lipservice. The Federal Government must immediately begin to address itself to the needs of the Spanish-speaking Americans and I am hopeful the Cabinet Committee will be in the forefront of this important effort.

The SPEAKER. The question is on the motion of the gentleman from California that the House suspend the rules and pass the bill H.R. 7586.

The question was taken, and (two-

thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days to extend their remarks on the bill just passed.

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

There was no objection.

NATURAL GAS PIPELINE SAFETY ACT AMENDMENTS

Mr. STAGGERS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5065) to amend the Natural Gas Pipeline Safety Act of 1968, as amended.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 5(a) of the Natural Gas Pipeline Safety Act of 1968 (49 U.S.C. 1674 (a)) is amended by striking out "two years" and inserting in lieu thereof "four years".

Sec. 2. The first sentence of section 5(c) (1) of such Act (49 U.S.C. 1674(c)(1)) is amended to read as follows: "If an application is submitted not later than September 30 in any calendar year, the Secretary shall pay out of all funds appropriated pursuant to section 15 for grants-in-aid for State safety programs up to 50 per centum of the cost of the personnel, equipment, and activities of a State agency reasonably required to carry out a safety program under a certification under subsection (a) or an agreement under subsection (b) of this section during the following calendar year."

Sec. 3. Section 15 of such Act (49 U.S.C. 1684) is amended to read as follows:

"APPROPRIATIONS AUTHORIZED

"Sec. 15. For the purpose of carrying out the provisions of this Act over a period of three fiscal years, beginning with the fiscal year ending June 30, 1972, there is authorized to be appropriated not to exceed \$3,000,000 for the fiscal year ending June 30, 1972; not to exceed \$3,800,000 for the fiscal year ending June 30, 1973; and not to exceed \$5,000,000 for the fiscal year ending June 30, 1974."

The SPEAKER. Is a second demanded? Mr. HALL. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. STAGGERS. Mr. Speaker, this legislation—insofar as I know—is noncontroversial and its purposes are simple. First, it would extend from August 12, 1970, until August 12, 1972, the time during which States may qualify to enforce Federal safety standards established pursuant to the Natural Gas Pipeline Safety Act of 1968. In order to qualify, present law requires the States to enact, within 2 years after the enactment of the act of 1968, laws authorizing the State enforcement agencies to impose injunctive and monetary sanctions. Seventeen States and the District of Columbia have not done so and the extension of time until August 12, 1972, should give them sufficient time to qualify.

The second purpose is to make it

mandatory upon the Secretary of Transportation to pay to the States grants-in-aid of up to 50 percent of the cost of State safety programs. Present law merely authorizes such payments, and the funds appropriated for such grants-in-aid during the current budget year were ordered impounded by the Office of Management and Budget.

The purpose of the amendment is to make clear the congressional intent that funds appropriated by the Congress for the purpose of inducing the States to enforce federally established natural gas pipeline safety standards should be expended for that purpose.

The third purpose is to authorize for an additional period of 3 years the appropriation of funds to enforce the Natural Gas Pipeline Safety Act of 1968. The amounts authorized would be as follows: Fiscal year ending June 30, 1972, \$3,000,000; fiscal year ending June 30, 1973, \$3,800,000; fiscal year ending June 30, 1974, \$5,000,000.

In conclusion, let me say that in enacting the 1968 act, Congress sought to establish a viable Federal-State partnership to carry out a national program to strengthen gas pipeline safety. Some questions may arise in the future with regard to the adequacy of this program and our committee is going to keep close watch on the execution of this program.

The committee was unanimous in reporting this legislation and I trust that the House will follow our recommendations and adopt this legislation.

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

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

Mr. SPRINGER. Mr. Speaker, in 1968 the Congress enacted the Natural Gas Pipeline Safety Act. The purpose of that legislation was to improve pipeline safety requirements and the enforcement of those requirements through strengthened State programs. In many instances, this meant the passage of new or stronger laws by States if they were to participate. The law contemplated a certification by the Federal Government of State programs which met certain standards as to transmission lines and distribution lines located within the boundaries of the respective States.

At the time of passage of the basic legislation it was expected that all States could attain this goal and pass the necessary legislation by August 1970. When the time came, it was apparent that, although most of the States were making as much progress in this direction as possible, some would not be ready in time.

One of the purposes of this bill is to extend that time to August 1972. As the bill came to us, it would have made the extension merely to August of this year, 1971, and the State commissioners involved felt that the last of the States could be in line by that time. It is still possible that they might, and, if so, the certification process can go forward, but it seemed more practical to the committee to make the deadline far enough ahead to forestall any necessity of further action here.

Any program such as this has its growing pains because of the necessity for so

much coordination between States and the Federal Government, and also between Government and the private sector. Regulations for the Federal portion of the activity were published in 1970 and this was a big job because of the technical nature of the problems involved. Up to now the office responsible for this task in the Department of Transportation has acquired only 28 people. Properly qualified people are not plentiful and recruiting is constantly going forward.

The bulk of safety problems in pipeline operations occurs at the local level. Old distribution lines in city systems account for most of the accidents.

Since this was constructed as a Federal-State system of enforcement, it was clearly intended that the Federal Government would follow through with some continuing assistance to the States in their efforts to create and carry out good enforcement programs. The language written into the statute was discretionary, but all statements of intention on the part of Federal officials and all statements by the Congress pointed toward financial assistance for States. The problem is national and the solution is a national need. For example, if you are traveling through a State and stop to buy food for your family, you should have some assurance that there are standards and enforcement of those standards which will minimize the possibility of a distribution line explosion while you are there. I use this example only because exactly that kind of unnecessary catastrophe has occurred in the past.

Upon having hearings on this bill we found that although Congress had authorized money for support of State programs and had further appropriated a modest one-half million dollars for it, the funds had been embargoed and those administering the program had nothing to offer but advice. For this reason, the present bill as reported from the committee contains a section which now requires the Secretary to help the State programs with up to 50 percent of enforcement costs from the funds provided for that purpose. It is only through this device that we can feel confident that the act will accomplish its purpose.

The bill as it came to the Congress would have provided authorizations for such sums as may be necessary from here forward. It has not been the policy of the Commerce Committee to let vital safety programs drift away in this fashion. The very fact that we found some significant deviation from the performance expected by Congress thus far prompted us to keep a hand in the future operations. Therefore, the bill before us contains authorizations for 3 years as in the past.

With limited experience to draw from but the best advice we could obtain, the committee has determined that the sum of \$3 million should be sufficient in fiscal year 1972 to cover administration of the program and support for the States. The next 2 years, based on the same estimates, should run \$3.8 and \$5 million.

Failure to carry out vigorously and completely the intention of the Natural Gas Pipeline Safety Act could and no doubt would result in more disastrous

explosions with large losses of life and property. It should be unnecessary to describe the terrible results of such explosions which usually occur in the most thickly populated areas. Each one is a composite of individual tragedies. This legislation must be used to the fullest to prevent such occurrences. This bill should keep the effort on the track, and I recommend its passage.

Mr. STAGGERS. I thank the gentleman from Illinois.

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

Mr. STAGGERS. I am happy to yield to the distinguished gentleman from Texas.

Mr. ROBERTS. I thank the distinguished gentleman for yielding.

Mr. Speaker, there is nothing in the bill which would give additional authority to make it possible to implement one of the rules that was suggested downtown. That is, if you had a butane tank and had a trailer for it and had 10 connections to one butane tank, those would be classified as a natural gas pipeline. This has been proposed in the Federal Register. There is nothing in this bill that could give additional authority along that line, is there?

Mr. STAGGERS. No; there is no such additional authority given.

Mr. ROBERTS. Does that strike the gentleman as being rather inconsistent with present law?

Mr. STAGGERS. I do not know. If somebody sets up a system large enough to entail that kind of thing, I am sure that would be gone into in hearings conducted by the Department.

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

Mr. STAGGERS. I am happy to yield to the gentleman from Iowa.

Mr. GROSS. Would the gentleman explain briefly why it is necessary to go from \$3 to \$5 million? I notice that it is \$3 million for the next fiscal year and \$5 million in fiscal 1974. That is a pretty substantial increase for administrative costs.

Mr. STAGGERS. I would agree with the gentleman. The reason for that increase is that it is hoped all the rest of the States will be in on the program at that time, and then there would be need for the additional money.

Mr. GROSS. How many States are now involved?

Mr. STAGGERS. The authorization was for \$4 million for this year and we cut it back to \$3 million for fiscal 1972. When the other States join in the program, we will need more money, whether it would ever go above that amount or not, but it was suggested that we would need \$5 million for the year 1975. When this legislation came to us it was an open-end authorization. We limited the authorizations for the next 3 fiscal years.

Mr. GROSS. Could the gentleman say how many States are now involved?

Mr. STAGGERS. Thirty-three States and Puerto Rico have qualified. Seventeen more and the District of Columbia have to qualify in order to have full coverage.

Mr. GROSS. Does the gentleman anticipate that the cost of administering

the program when the 17 States join will be in proportion to the cost for the 33 States already in? The increase in proposed expenditure is almost double.

Mr. STAGGERS. An open-end authorization was requested, and we went back and said we could not have an open-end authorization. We asked them to justify the amounts they would need. Those are the amounts they gave us.

Mr. GROSS. I am glad it is not an open-end authorization, and I compliment the committee for that. But I think it is still a substantial and unnecessary increase. I hope the Appropriations Committee will cut it down.

Mr. HALL. Mr. Speaker, let the RECORD show that I demanded a second, in lieu of others who might or might not be present, simply to request and/or give opportunity to the distinguished chairman to explain the purpose of this bill. I am perfectly willing to yield any time under the suspension of the rules procedure, to any Member who would like to be heard.

I have investigated the report, and studied it thoroughly, and concur generally with the statements both of the chairman and of the ranking minority Member. I certainly concur with those of the gentleman from Iowa insofar as the excessive authorization in years ahead is concerned.

Knowing the forlorn but possibilities of the appropriations process, and in the ever lingering hope it may be under that which is budgeted or under that which is authorized I see no point in taking any additional time. Therefore, Mr. Speaker, I reserve the remainder of my time.

The Speaker. The question is on the motion of the gentleman from West Virginia that the House suspend the rules and pass the bill H.R. 5065, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

EXTENSION AND AMENDMENT OF CHILD NUTRITION ACT AND NATIONAL SCHOOL LUNCH ACT

Mr. PUCINSKI. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 9098) to extend and amend certain provisions of the Child Nutrition Act and of the National School Lunch Act.

The Clerk read as follows:

H.R. 9098

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 4(a) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(a)) is amended to read as follows: "There is hereby authorized to be appropriated for the fiscal year 1972 not to exceed \$25,000,000, and for each succeeding fiscal year such sums as may be necessary, to carry out a program to assist the States through grants-in-aid and other means to initiate, maintain, or expand nonprofit breakfast programs in schools."

Sec. 2. Section 4(c) of such Act (42 U.S.C. 1773(c)) is amended to read as follows:

"DISBURSEMENT TO SCHOOLS

"(c) Funds apportioned and paid to any State for the purpose of this section shall be

disbursed by the State educational agency to schools selected by the State educational agency to assist in financing the cost of providing breakfasts to children attending schools selected for participation. Disbursement to schools shall be made at such rates per meal as the Secretary shall prescribe based on the type and cost of the meals provided. Such cost per meal shall be based on the cost of food used, including transportation and storage costs, and the costs of labor used in preparation of the meals."

Sec. 3. Section 4(d) of such Act (42 U.S.C. 1773(d)) is amended to read as follows:

"SELECTION OF SCHOOLS FOR PARTICIPATION

"(d) In selecting schools for participation, the State educational agency shall, to the extent practicable, give first consideration to those schools drawing attendance from areas in which poor economic conditions exist, to those schools in which a substantial proportion of the children enrolled must travel long distances daily, and to those schools in which there is a special need for improving the nutrition and dietary practices of the children attending."

Sec. 4. (a) The first sentence of section 13(a)(1) of the National School Lunch Act (42 U.S.C. 1761(a)(1)) is amended to read as follows: "There is authorized to be appropriated \$32,000,000 for each of the fiscal years ending June 30, 1972, and June 30, 1973, to enable the Secretary to formulate and carry out a program to assist States through grants-in-aid and other means, to initiate, maintain, or expand nonprofit food service programs for children in service institutions."

(b) In section 13(c)(2) of the National School Lunch Act (42 U.S.C. 1761(c)(2)) after the first sentence insert: "Non-Federal contributions may be in cash or kind, fairly evaluated, including but not limited to plant, equipment, and services."

The SPEAKER. Is a second demanded?

Mr. RUTH. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. PUCINSKI. Mr. Speaker, H.R. 9098 extends two child-feeding programs which have clearly demonstrated their success in improving the nutrition and health of young children. The first program is the school breakfast program which provides meals to almost 555,000 children daily in more than 6,000 participating schools.

The bill before us recognizes the tremendous success which this program has achieved in the 5 years of its existence and extends it for fiscal 1972 at an authorization of \$25 million and for each succeeding year at such sums as may be necessary. The bill also adds a new criterion for the selection of schools—those where poor dietary practices exist. This expansion of the scope of the program is meant to include children of working mothers who frequently leave home too early to assure that their children eat adequate breakfasts.

The second program which the bill extends is the special food service program for children in day-care and other service institutions. This program, which serves almost 400,000 children daily in its peak month of operation with a yearly total of 100 million meals being served, is extended for fiscal 1972 and 1973 at \$32 million. The program has had tremendous success in more and more communi-

ties where it is becoming an intrinsic component of many summer recreation programs.

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

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

Mr. VANIK. Mr. Speaker, I rise in support of H.R. 9098. It is of the utmost importance that we pass this legislation and the related appropriations bills immediately.

As the newspapers of the last few days have indicated, there is a crisis throughout the country in the feeding of children in summer recreation programs, Headstart centers and regular day-care centers. H.R. 9098, if supported with adequate appropriations and humane administration, can meet that crisis.

As documentation of the crisis facing our cities and states in meeting the food needs of tens of thousands of children from low-income neighborhoods, I would like to quote from two articles appearing in the Washington Post of June 17 and 18.

The article of the 17th, entitled "Cities Lose U.S. Funds for Summer Lunches," stated:

The Agriculture Department has informed big cities throughout the country that they will not receive expected funds to feed hundreds of thousands of poor children this summer.

Officials at the Department of Agriculture were quoted as saying that 11 cities alone have planned programs for 425,000 children at a Federal cost of \$11 million, while only \$4.7 million is available nationally to fund summer programs. Thus, only about 40 percent of the children in these 11 cities alone would receive assistance. The unmet need in other major cities and poor rural areas has not been fully documented. Richard Lyng, Assistant Secretary of Agriculture, acknowledged in an interview that the needed funds were not available and that, moreover, Department officials had improperly promised such funds to the cities. It is clear that these broken promises will mean empty stomachs for thousands of children in America.

As examples of the magnitude of the broken promises, the Post cited what the cutback announcement means to a number of big cities. Baltimore planned to start feeding 40,000 children today at a cost of \$1 million for the summer. They have just been informed that the Department has allocated only \$265,000 to all of Maryland for summer and year-round programs. Chicago planned to start feeding 60,000 children June 28 at a total Federal cost of \$1.2 million. They now find that they will be allotted less than one-sixth of this amount. Los Angeles hoped to feed 200,000 children with \$5 million in Federal aid. They now find that all of California—the whole State—will only be allotted \$863,000.

The city of Cleveland has requested \$364,000 to feed over 14,000 children between June 21 and August 15. Case Western Reserve in my area has a request in for \$24,500 to feed 800 between June 21 and July 30 and a consortium of other

service groups has requested \$21,953 to feed about 400 children. The Chicago regional office of the Department of Agriculture has had to turn down all these requests for my city. There is no money available for the Cleveland area. It has all been committed.

Newspaper reports indicated that the difficulty arose "because USDA officials badly underestimated funds needed to fulfill Federal obligations on the year-round feeding program that ends June 30, and failed to consider its pledges for new funds starting July 1."

It was also indicated that the other body passed stopgap legislation providing funds to feed hundreds of thousands of poor children this summer—but that the Department of Agriculture might not spend the money. In other words, the Department intends to let this nutrition need go unmet. It appears to be willing to let these children go through the summer without adequate lunches—the meal which in many cases is the only nutritious meal that these children get during the summer months.

It is clear from newspaper reports that the Department of Agriculture has been guilty of badly misleading local governments as to the amount of money that was available for these programs. But even worse, when it became evident that the program was enthusiastically received and that plans were being made to feed more needy children than last summer, the Department failed to move to meet the extra need.

The Department is guilty of callous disregard of the hunger needs of the people. It should welcome this opportunity to provide nutrition for those who cannot afford it, but instead of caring for these children, the Department is concentrating its resources for the farm industry. It is hard to believe that this is the Department of Agriculture of a President who pledged in 1969 "to put an end to hunger in America itself for all time." The President further said:

I not only accept the responsibility, I claim the responsibility.

The other Chamber has given the President the authority to meet the hunger needs of children this summer. The bill before us today and the Department of Agriculture appropriation bill coming before the House Wednesday will enable this Chamber to give the President the authority he needs to meet the special school lunch needs facing our cities this summer.

H.R. 9098 provides for a 2-year extension of section 13 of the School Lunch Act, of which I was the original author and which passed this Chamber 3 years ago under the able guidance of the gentleman from Kentucky (Mr. PERKINS) and the gentleman from Illinois (Mr. PUCINSKI). This 2-year extension carries with it a \$32 million a year authorization, and lightens the burden on local sponsors by allowing in-kind services to be counted as part of the local contribution.

The Senate bill passed Friday authorizes an expenditure of up to \$300 million to meet the needs of children for school lunches this summer. The administration has been requesting \$20.7 million for

section 13 for fiscal year 1972—the same amount as in fiscal year 1971. Yet as the figures indicate, an additional \$25 million would be needed just to meet the needs of the cities for this summer's programs.

Obviously, the authorization level being provided by H.R. 9098 is short of what is needed. It is my hope, Mr. Speaker, that the conferees on this bill will agree to an additional authorization so that all the children who need to be fed this summer are fed.

The Department of Agriculture encouraged States and localities to apply for section 13 assistance. Now the cities and States are left with programs starting this week—but with no Federal assistance.

Section 13 of the School Lunch Act is needed as an emergency piece of legislation to meet this summer's needs.

In the 3 short years of its existence, it has compiled an excellent record of success.

In fiscal year 1970, \$7,258,000 out of an authorization of \$32 million was appropriated. This relatively small appropriation did a fantastic job in providing 50.2 million meals which were served to approximately 230,000 children during the summer of 1969, and to nearly 92,000 children on a year-round basis. The program operated at an average cost of about 40 cents per day per child.

In the fiscal year just ending, it is estimated that the provisions of Public Law 90-302 assisted almost half a million children with each child receiving approximately two meals a day—or about a million meals a day under the provisions of this program. This was accomplished with an estimated appropriation of \$20,775,000.

The program has been a distinct success.

Last summer, Mayor Daly of Chicago announced a Summer Reach Out program in his city working through 370 intercity summer program sites. Each site, on the average, served 200 per day. Because of the provisions of Public Law 90-302, lunches were served for young people between the ages of 10 to 21 years old who were registered as regular participants in programs of education, recreation, and culture. This program played a vital part in helping finance the programs which were necessary to keep our youth involved and off the streets.

This story of success under this law can be repeated in city after city.

Here in Washington, D.C., the program provided well-balanced meals to about 41,340 inner-city children each day last summer under a program called the "Mayor's Summer Feeding program," which lasted from June 22 until August 28. Because of this program thousands of youths were provided nutritious meals in an educational and recreational setting which would otherwise have been impossible. Because of the flexibility provided by the Public Law 90-302, meals can be served either in a cafeteria or, as in Washington, 11,000 meals per day were delivered to predetermined area sites, such as playgrounds, to serve those children who could not otherwise get to a school cafeteria. The city's school officials stated

that the program showed excellent progress toward reaching all of the city's needy children with a lunch during the summer months when they did not otherwise have a noon meal available.

Last summer, Baltimore operated a special food service program for children under the auspices of the Department of Health, the Bureau of Recreation, and the Midtown Churches Association. This program was able to reach 30,470 children daily with a well-balanced lunch which many of them would not otherwise have had.

In Memphis, Tenn., a consortium of local churches, universities, and a tri-state council of Girl Scouts was able to prepare a project which fed 20,320 needy children during most of the summer.

In Detroit, during the summer of 1970, a special food service program for children was able to reach 22,340 children daily due to the efforts of the program's eight sponsors. These sponsors included the city of Detroit, Detroit churches, and service groups active in community affairs. The total number of children reached with U.S. Department of Agriculture funded meals in Detroit last summer is especially remarkable when one considers the fact that the figure represented more than 75 percent of the entire statewide Michigan daily participation in the special food service program for children.

In my own city of Cleveland, 107,210,000 lunches were served to children during the months of June, July, and August. This does not count snacks and breakfasts administered by some of the 58 agencies and service groups involved.

Again, it is obvious that this program is a vital asset to cities in this time of intense municipal financial distress.

The question might occur, is this program still needed?

During the original debate on the bill in 1968, I pointed out that there were, at that time, some 640,000 summer and full-time Headstart children in need of a food program. Although the functions of Headstart are being transferred from the Office of Economic Opportunity to the Department of Health, Education, and Welfare, and although the President's budget in this area is dropping from \$346 million in this fiscal year to \$230 million in the coming fiscal year, there is no doubt in my mind that the need for this vital program for the educationally disadvantaged will continue. Figures supplied to me indicate that there were 208,700 of children in summer Headstart programs last year and 262,900 number of children in full year Headstart programs this year. Projections for next year are again 208,700 summer Headstart children, and 262,900 year-round Headstart children. These children will have to be fed outside of the normal school system.

In addition, I would like to comment on the work of my committee, the Ways and Means Committee, which has been working for 4 solid months on H.R. 1, the Social Security, Medicare, and Welfare Amendments of 1971. Under H.R. 1, we are planning 875,000 child-care slots: 291,000 of these children would be preschool-age youngsters and 584,000 would

be school-age children. The cost of this child-care maintenance program is estimated to run \$750 million per year and to expand rapidly in the next few years. These children, in addition to the Head-start children, will need to be fed. They will need the full funding and full implementation of the special school lunch program.

It is absolutely essential that we take every opportunity to provide nourishing, well-balanced meals at school, through school breakfast programs and school lunch programs. In addition, we must meet the need of nonschool settings and of the summer months through adequate funding of the special school lunch program of section 13. Only in this way can we help supplement the budgets of the low-income and welfare families and thus help to break the cycle of poverty and recurrent malnutrition.

Mr. Speaker, I am heartily in support of this proposal. I should like to ask the gentleman from Illinois what the prospects are for getting the funding which are going to be required to support this program; I have been very gravely disappointed by the administration oversight of the important need for adequately funding and carrying through the objectives of this program as set forth in this legislation.

As the gentleman knows, we have passed legislation to allot additional funds out section 32 funds. As far as I

know, on enactment of this legislation the chances are very good for the funding of this program.

Mr. VANIK. The communities are including nutrition support in their programs, and I hope the adoption of this legislation will be followed by a proper funding of these programs.

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

Mr. Speaker, the success of these two programs is shown by the unanimous vote by which H.R. 9098 was reported from the Committee on Education and Labor. And I would urge the House to likewise show its support by suspending the rules and passing H.R. 9098.

Mr. PERKINS. Mr. Speaker, I urge my colleagues to support the passage of H.R. 9098. This measure was ordered reported favorably by the House Education and Labor Committee without a dissenting vote.

The bill extends a portion of the National School Lunch Act which is due to expire on June 30 of this year. The bill would also extend the authorization for the school breakfast program contained in the Child Nutrition Act. With respect to the school breakfast program, the authorization would be at the fiscal year 1971 authorization level of \$25,000,000 with no ceiling on the authorized appropriation for the following fiscal years. The authorization for the special food

service programs under section 13 of the National School Lunch Act would be extended for only 2 years with a ceiling of \$32,000,000 for each of those years. This is the level of funding presently authorized for fiscal year 1971 under section 13 of the National School Lunch Act.

The school breakfast program was first authorized in the Child Nutrition Act in 1966. The Congress extended it in 1968. Mr. Speaker, this program was conceived and developed in the face of growing evidence that millions of children were attending school hungry—hungry because families lacked the income to furnish children a breakfast. The evidence disclosed to the Congress at that time clearly illustrated that malnutrition and the undernourishment of children impeded their educational progress. Hunger was just another of the several impediments to the disadvantaged child's being able to successfully enter into a learning situation in the classroom. The success of the breakfast program has been demonstrated time and time again in testimony provided the committee in hearings conducted by it when the program was extended in 1968 and in hearings conducted currently by the General Subcommittee on Education. At this point in the record I would like to insert the U.S. Department of Agriculture's distribution of school breakfast funds totaling \$12,000,000 for the fiscal year 1971:

U.S. DEPARTMENT OF AGRICULTURE, FOOD AND NUTRITION SERVICE—CHILD FEEDING PROGRAM, SCHOOL BREAKFAST—APPORTIONMENT OF FUNDS, BY STATE, FISCAL YEAR 1971

State	Basic apportionment sec. 4(b)(1)	Remainder apportionment sec. 4(b)(2)	Total apportionment (cols. 1 + 2)	State agency	Regional official ¹	State	Basic apportionment sec. 4(b)(1)	Remainder apportionment sec. 4(b)(2)	Total apportionment (cols. 1 + 2)	State agency	Regional official ¹
	(1)	(2)	(3)	(4)	(5)		(1)	(2)	(3)	(4)	(5)
Alabama	\$50,000	\$308,058	\$358,058	\$350,709	\$7,349	Nevada	\$50,000	\$8,364	\$58,364	\$58,037	\$327
Alaska	50,000	10,601	60,601	60,601		New Hampshire	50,000	30,676	80,676	80,676	
Arizona	50,000	82,742	132,742	132,742		New Jersey	50,000	128,761	178,761	160,225	18,536
Arkansas	50,000	173,646	223,646	218,908	4,738	New Mexico	50,000	71,370	121,370	121,370	
California	50,000	352,190	402,190	402,190		New York	50,000	606,566	656,566	656,566	
Colorado	50,000	101,624	151,624	144,113	7,511	North Carolina	50,000	442,422	492,422	492,422	
Connecticut	50,000	82,755	132,755	132,755		North Dakota	50,000	46,469	96,469	86,867	9,602
Delaware	50,000	25,083	75,083	74,566	517	Ohio	50,000	375,387	425,387	389,076	36,711
District of Columbia	50,000	14,547	64,547	64,547		Oklahoma	50,000	128,566	178,566	178,566	
Florida	50,000	358,964	408,964	408,964		Oregon	50,000	83,075	133,075	133,075	
Georgia	50,000	416,563	466,563	466,563		Pennsylvania	50,000	365,911	415,911	372,382	43,529
Guam	15,000	9,092	24,092	24,092		Puerto Rico	50,000	248,429	298,429	298,429	
Hawaii	50,000	57,972	107,972	101,524	6,268	Rhode Island	50,000	17,438	67,438	67,438	
Idaho	50,000	43,003	93,003	90,625	2,378	Samoa, American	15,000	5,315	20,315	20,315	
Illinois	50,000	269,009	319,009	319,009		South Carolina	50,000	279,150	329,150	326,432	2,718
Indiana	50,000	221,298	271,298	271,298		South Dakota	50,000	37,711	87,711	87,711	
Iowa	50,000	173,628	223,628	200,001	23,627	Tennessee	50,000	285,877	335,877	331,135	4,742
Kansas	50,000	109,036	159,036	159,036		Texas	50,000	478,335	528,335	512,758	15,577
Kentucky	50,000	267,262	317,262	317,262		Utah	50,000	85,188	135,188	135,188	
Louisiana	50,000	380,436	430,436	430,436		Vermont	50,000	16,937	66,937	66,937	
Maine	50,000	53,149	103,149	93,182	9,967	Virginia	50,000	276,872	326,872	322,863	4,009
Maryland	50,000	123,602	173,602	169,291	4,311	Virgin Islands	15,000	9,788	24,788	24,788	
Massachusetts	50,000	221,802	271,802	271,802		Washington	50,000	120,156	170,156	167,022	3,314
Michigan	50,000	232,881	282,881	261,895	20,986	West Virginia	50,000	113,886	163,886	160,874	3,012
Minnesota	50,000	218,167	268,167	240,266	27,901	Wisconsin	50,000	177,881	227,881	190,213	37,598
Mississippi	50,000	256,614	306,614	306,614		Wyoming	50,000	15,397	65,397	65,397	
Missouri	50,000	232,519	282,519	282,519							
Montana	50,000	28,796	78,796	74,566	4,240						
Nebraska	50,000	74,284	124,284	108,225	16,059						
						Total	2,645,000	9,355,000	12,000,000	11,685,053	314,947

¹ Nonprofit private schools disbursement effected in accordance with sec. 10 of National School Lunch Act as amended exclusive of the matching provision.

Mr. Speaker, the school breakfast program has demonstrated its need in the 5 years of its operation. It is now time for the Congress to provide local participating schools and the State departments of education which administer the program assurance that it will receive continued congressional support.

The committee bill would also allow State educational agencies to give schools cash payments for the full cost of their breakfast programs. In so doing, however, the committee has stressed and

I want to emphasize at this point that the State agencies are expected to make determinations based on objective criteria of the financial ability of each local school district to pay for the program. If a needy school district can clearly demonstrate that it does not have sufficient financial resources to pay for a part of the cost of the program, then the State agency will be expected to provide the full assistance under the program. Mr. Speaker, our objective here is to assure that the needs of

hungry children will be met in spite of the lack of local financial resources to mount an effective feeding program.

The committee has given only a 2-year extension, that is, until June 30, 1973, of the special food service program presently authorized by section 13 of the National School Lunch Act. At this point, I would like to insert in the RECORD a table showing the allocations of the \$12,000,000 appropriated for the fiscal year 1971 under the authorization contained in section 13:

CHILD FEEDING PROGRAM—NON SCHOOL FOOD PROGRAM (SEC. 13) (SPECIAL FOOD SERVICE PROGRAM FOR CHILDREN)

APPORTIONMENT OF FUNDS, BY STATE, FISCAL YEAR 1971

State	Number of children age 3-17 ¹	Percent of total	Basic apportionment	Remainder apportionment	Total apportionment ²	State	Number of children age 3-17 ¹	Percent of total	Basic apportionment	Remainder apportionment	Total apportionment ²
	(1)	(2)	(3)	(4)	(5)		(1)	(2)	(3)	(4)	(5)
Alabama	409,550	4.30109	\$50,000	\$396,130	\$446,130	New York	447,983	4.70472	50,000	433,305	483,305
Alaska	9,905	0.10402	50,000	9,580	59,580	North Carolina	569,980	5.98593	50,000	551,304	601,304
Arizona	77,830	0.81737	50,000	75,280	125,280	North Dakota	47,216	0.49586	50,000	45,669	95,669
Arkansas	252,668	2.65352	50,000	244,389	294,389	Ohio	310,006	3.25568	50,000	299,848	349,848
California	434,911	4.56743	50,000	420,660	470,660	Oklahoma	164,483	1.72740	50,000	159,094	209,094
Colorado	71,078	0.74646	50,000	68,749	118,749	Oregon	50,146	0.52663	50,000	48,503	98,503
Connecticut	44,383	0.46580	50,000	42,900	92,900	Pennsylvania	383,793	4.03059	50,000	371,217	421,217
Delaware	15,480	0.16257	50,000	14,973	64,973	Rhode Island	26,512	0.27843	50,000	25,643	75,643
District of Columbia	33,284	0.34955	50,000	32,194	82,194	South Carolina	348,111	3.65586	50,000	336,705	386,705
Florida	304,867	3.20171	50,000	294,878	344,878	South Dakota	56,377	0.59207	50,000	54,530	104,530
Georgia	446,698	4.69122	50,000	432,061	482,061	Tennessee	392,739	4.12454	50,000	379,870	429,870
Hawaii	20,282	0.21300	50,000	19,617	69,617	Texas	771,356	8.10078	50,000	746,082	796,082
Idaho	28,430	0.29857	50,000	27,498	77,498	Utah	25,963	0.27266	50,000	25,112	75,112
Illinois	308,546	3.24035	50,000	298,436	348,436	Vermont	18,222	0.19137	50,000	17,625	67,625
Indiana	159,003	1.66985	50,000	153,793	203,793	Virginia	320,227	3.36302	50,000	309,734	359,734
Iowa	143,377	1.50574	50,000	138,679	188,679	Washington	74,831	0.78588	50,000	72,380	122,380
Kansas	87,222	0.91601	50,000	84,365	134,365	West Virginia	176,943	1.85826	50,000	171,146	221,146
Kentucky	329,049	3.45567	50,000	318,267	368,267	Wisconsin	130,254	1.36793	50,000	125,986	175,986
Kentucky	367,056	3.85482	50,000	355,029	405,029	Wyoming	11,591	0.12173	50,000	11,211	61,211
Maine	44,914	0.47169	50,000	43,443	93,443	U.S. total	9,521,998	100.00000	2,550,000	9,210,000	11,760,000
Maryland	117,096	1.22975	50,000	113,259	163,259	Outlying areas:					
Massachusetts	106,136	1.11464	50,000	102,658	152,658	Guam	25,207	2.27722		5,465	5,465
Michigan	256,707	2.69594	50,000	248,296	298,296	Puerto Rico	1,023,800	92.49096		221,978	221,978
Minnesota	156,916	1.64793	50,000	151,774	201,774	Virgin Islands	11,675	0.12473		2,532	2,532
Mississippi	398,440	4.18442	50,000	385,385	435,385	Samoa, American	9,837	0.88868		2,133	2,133
Missouri	243,290	2.55503	50,000	235,318	285,318	Trust Territory	36,400	3.28841		7,892	7,892
Montana	29,840	0.31338	50,000	28,862	78,862	Total	1,106,919	100.00000		240,000	240,000
Nebraska	75,110	0.78880	50,000	72,648	122,648	Grand total	10,628,917		2,550,000	9,450,000	12,000,000
Nevada	6,728	0.07066	50,000	6,508	56,508						
New Hampshire	14,792	0.15535	50,000	14,308	64,308						
New Jersey	126,634	1.32991	50,000	122,485	172,485						
New Mexico	75,073	0.78842	50,000	72,614	122,614						

¹The 50 States and the District of Columbia data represent the number of children age 3-17 in families with incomes under \$3,000 from Department of Health, Education and Welfare (1960). The outlying area data represent total population age 3-17 furnished by the Department of Commerce.

²Two percent of the total funds made available to the outlying areas. A basic apportionment of \$50,000 made to the 50 States and the District of Columbia, and the remainder distributed by the percent in column 2.

In 1968 the Congress amended the National School Lunch Act so as to initiate this pilot program to provide meals for children in day-care centers, settlement houses, recreation centers, and other child-care agencies which serve children in areas from which poor economic conditions exist and in areas where concentrations of children with working mothers. As the table that I have previously inserted indicates \$12,000,000 was appropriated in 1971, considerably under the \$32,000,000 authorized for that year. During the fiscal year 1971 it is estimated that as many as 400,000 children will benefit daily in the peak month of its operation. At this point, Mr. Speaker, I would like to commend the ranking member of the committee, Mr. AL QUIE, the gentleman from Minnesota; the chairman of the General Subcommittee on Education, the gentleman from Illinois (Mr. PUCINSKI); and the members on both sides of the aisle of the subcommittee and the full committee who have participated diligently in the hearings conducted on this legislation and in the subcommittee and full committee legislative sessions so that this much-needed legislation could be brought to the floor today. I urge my colleagues to join with us in giving this legislation the kind of support that the House gave to H.R. 5257 earlier this session when it voted 331 to 0 in favor of floor action.

The SPEAKER. The question is on the motion of the gentleman from Illinois (Mr. PUCINSKI) that the House suspend the rules and pass the bill H.R. 9098.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

TO AMEND THE NATIONAL SCHOOL LUNCH ACT

Mr. PERKINS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 5257) to amend the National School Lunch Act, as amended, to provide funds and authorities to the Department of Agriculture for the purpose of providing free or reduced-price meals to needy children, with Senate amendments thereto, and consider the Senate amendments in the House.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Strike out all after the enacting clause and insert: That the Secretary of Agriculture is authorized to use during the period ending June 30, 1972 funds appropriated by section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) in such amounts as may be appropriate in addition to any other funds available for that purpose to carry out the provisions of the National School Lunch Act.

Sec. 2. (a) Section 4(a) of the Child Nutrition Act of 1966, as amended, is amended by striking out "for the fiscal year 1971" and inserting in lieu thereof "for each of the fiscal years 1971 and 1972".

(b) Section 13(a)(1) of the National School Lunch Act, as amended, is amended by striking out "three fiscal years ending June 30, 1969, June 30, 1970, and June 30, 1971," and inserting in lieu thereof "four fiscal years ending June 30, 1969, June 30, 1970, June 30, 1971, and June 30, 1972."

Sec. 3. Section 4(d) of the Child Nutrition Act of 1966 is amended by striking out "80 per centum" and inserting "100 per centum".

Sec. 4. Section 4(e) of the Child Nutrition Act of 1966 is amended by striking out the sentence reading "In making such determinations, such local authorities should, to the extent practicable, consult with public welfare and health agencies," and inserting the following: "Such determinations shall be

made by local school authorities in accordance with a publicly announced policy and plan applied equitably on the basis of criteria which, as a minimum, shall include the level of family income, including welfare grants, the number in the family unit, and the number of children in the family unit attending school or service institutions; but any child who is a member of a household which has an annual income not above the applicable family size income level set forth in the income poverty guidelines shall be served meals free or at reduced cost. The income poverty guidelines to be used for any fiscal year shall be those prescribed by the Secretary as of July 1 of such year. In providing meals free or at reduced cost to needy children, first priority shall be given to providing free meals to the neediest children. Determination with respect to the annual income of any household shall be made solely on the basis of an affidavit executed in such form as the Secretary may prescribe by an adult member of such household. None of the requirements of this section in respect to eligibility for meals without cost shall apply to nonprofit private schools which participate in the school breakfast program under the provisions of subsection (f) until such time as the Secretary certifies that sufficient funds from sources other than children's payments are available to enable such schools to meet these requirements."

Sec. 5. In addition to funds appropriated or otherwise available, the Secretary of Agriculture is authorized to use, during the fiscal year ending June 30, 1972, not to exceed \$20,000,000 in funds from section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), for the purpose of carrying out in any area of the United States direct distribution or other programs, without regard to whether such area is under the food stamp program or a system of direct distribution, to provide, in the immediate vicinity of their place of permanent residence, either directly or through a State or local welfare agency, an adequate diet to needy children and low-income persons determined by the Secretary of Agriculture to be suffering, through no fault of their own, from general and con-

tinued hunger resulting from insufficient food. Food made available to needy children under this section shall be in addition to any food made available to them under the National School Lunch Act or the Child Nutrition Act of 1966. Whenever any program is carried out by the Secretary under authority of the preceding sentence through any State or local welfare agency, he is authorized to pay the administrative costs incurred by such State or local agency in carrying out such program.

Amend the title so as to read: "An Act to extend the school breakfast and special food programs."

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

Mr. HALL. Mr. Speaker, reserving the right to object, I would propound a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HALL. Mr. Speaker, does the privilege involved by the unanimous-consent request now before the House relate at all to the immediate past action wherein the rules were suspended and the bill H.R. 9098 was passed?

The SPEAKER. That is a matter of the substantive content of the legislation. The gentleman might ask the gentleman from Kentucky if that is true.

Mr. PERKINS. Will the gentleman yield?

Mr. HALL. I yield to the gentleman.

Mr. PERKINS. Let me say to my distinguished colleague from Missouri that I propose to take up in conference the original text of House bill H.R. 5257 that passed the House unanimously on May 17, as well as the text of H.R. 9098 as the House has unanimously passed today—in one conference on H.R. 5257.

Mr. HALL. Mr. Speaker, further reserving the right to object, I would again inquire, either as a parliamentary inquiry or of any of the chairmen or cochairmen of the House Committee on Education and Labor as to whether or not the portent of the present unanimous-consent request has anything at all to do with H.R. 9098 on which action has just been completed under suspension of the rules and which title says: to extend and amend certain provisions of the Child Nutrition Act and of the National School Lunch Act. That question could be answered either yes or no.

Mr. PERKINS. Yes.

Mr. HALL. But it does not have anything to do with the merits of the question.

Mr. PERKINS. H.R. 5257, as it passed the House, dealt only with section 32 funds. The Senate amendment to it dealt also with matters covered by the House in H.R. 9098. The amendment that I propose to the Senate amendment to H.R. 5257 is word for word the same language as contained in H.R. 5257 as it passed the House by a vote of 331 to 0 on May 17, 1971, together with precise language of H.R. 9098 which passed the House today under suspension of the rules.

I am asking the House to proceed in this fashion in order to assure that the Senate has an opportunity to concur or

disagree on both H.R. 5257 and H.R. 9098 and, if disagreeing, when it goes to conference with the Senate on H.R. 5257, the House will also have before the conference the House position as reflected in H.R. 9098.

Mr. PUCINSKI. Will the gentleman yield?

Mr. HALL. I am glad to yield to anyone who can shed light on my question.

Mr. PUCINSKI. The gentleman will find, first of all, as the chairman has already stated, that the answer is "Yes." The purpose of this procedure is merely to permit us to go to conference to work this out.

Mr. HALL. Are you going to conference on the—

Mr. PUCINSKI. On the bill just passed under suspension of the rules.

Mr. HALL. In other words, you then intended to attach this consideration to H.R. 9098 by amendment or by striking out all after the enacting clause and substituting the words in the other bill in order to go to conference?

Mr. PUCINSKI. That is correct.

Mr. HALL. So why was it not done under suspension of the rules with an amendment instead of this unusual procedure?

Mr. PUCINSKI. The Senate just passed this bill. This is the problem as I stated earlier. This is why we are trying to go to conference because many of these programs expire in just a few days.

As has been stated I am sure other Members have been receiving inquiries such as we have received from all over the country where school districts have already planned these programs for the summer and are now wondering whether they are going to have a program. Therefore, we want to go to conference as quickly as possible in order to get this legislation passed.

Mr. HALL. I strongly recommend, Mr. Speaker, that the next time we simply bring out a bill under a suspension of the rules with an amendment. An amendment could have been added very simply.

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

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

Mr. GROSS. Probably the reason why this is not combined or because it was not put together under a suspension of the rules is the fact that the other action came during the latter part of last week, on Friday or Saturday or Sunday or some day.

Mr. PUCINSKI. Friday.

Mr. GROSS. And, we are getting a little ramrodding legislation here. That is probably the story. But I think the gentleman has the answer now that it is "Yes" to the question of whether this whole ball of wax now goes to conference in the same package.

Mr. HALL. I appreciate the gentleman's explanation. As usual he speaks the language I can understand.

Mr. Speaker, I will simply say that this is a most unusual procedure. As I said in the beginning this procedure is without merit with reference to this bill and the action of the other body.

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

There was no objection.

MOTION OFFERED BY MR. PERKINS

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

The Clerk read as follows:

Mr. PERKINS moves to concur in the Senate amendment to the text of the bill, with the following amendment:

In lieu of the matter proposed to be inserted by the Senate amendment to the text of the bill, insert the following:

That the National School Lunch Act (42 U.S.C. 1752) is amended by adding at the end of the Act the following new section:

"Sec. 15. (a) In addition to funds appropriated or otherwise available, the Secretary is authorized to use, during the fiscal year ending June 30, 1971, not to exceed \$50,000,000, and during the fiscal year ending June 30, 1972, not to exceed \$100,000,000 in funds from section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) to carry out the provisions of this Act relating to the service of free and reduced-price meals to needy children in schools and service institutions.

"(b) The Secretary is authorized to utilize the funds made available under this section for the purpose of making grants to State educational agencies demonstrating a need for additional funds and for the purpose of making reimbursements to schools and service institutions under agreement with the Department of Agriculture for the operation of child food service programs.

"(c) Any funds unexpended under this section at the end of the fiscal year ending June 30, 1971, or at the end of the fiscal year ending June 30, 1972, shall remain available to the Secretary in accordance with the last sentence of section 3 of this Act, as amended."

SEC. 2. The first sentence of section 4(a) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(a)) is amended to read as follows: "There is hereby authorized to be appropriated for the fiscal year 1972 not to exceed \$25,000,000, and for each succeeding fiscal year such sums as may be necessary, to carry out a program to assist the States through grants-in-aid and other means to initiate, maintain, or expand nonprofit breakfast programs in schools."

SEC. 3. Section 4(c) of such Act (42 U.S.C. 1773(c)) is amended to read as follows:

"DISBURSEMENT TO SCHOOLS

"(c) Funds apportioned and paid to any State for the purpose of this section shall be disbursed by the State educational agency to schools selected by the State educational agency to assist in financing the cost of providing breakfasts to children attending schools selected for participation. Disbursement to schools shall be made at such rates per meal as the Secretary shall prescribe based on the type and cost of the meals provided. Such costs per meal shall be based on the cost of food used including transportation and storage costs, and the costs of labor used in preparation of the meals."

SEC. 4. Section 4(d) of such Act (42 U.S.C. 1773(d)) is amended to read as follows:

"SELECTION OF SCHOOLS FOR PARTICIPATION

"(d) In selecting schools for participation, the State educational agency shall, to the extent practicable, give first consideration to those schools drawing attendance from areas in which poor economic conditions exist, to those schools in which a substantial proportion of the children enrolled must travel long distances daily, and to those schools in which there is a special need for improving the nutrition and dietary practices of the children attending."

SEC. 5. (a) The first sentence of section 13(a)(1) of the National School Lunch Act (42 U.S.C. 1761(a)(1)) is amended to read as follows: "There is authorized to be appropriated \$32,000,000 for each of the fiscal years ending June 30, 1972, and June 30, 1973, to enable the Secretary to formulate and carry out a program to assist States through grants-in-aid and other means, to initiate, maintain, or expand nonprofit food service programs for children in service institutions."

(b) In section 13(c)(2) of the National School Lunch Act (42 U.S.C. 1761(c)(2)) after the first sentence insert: "Non-Federal contributions may be in cash or kind, fairly evaluated, including but not limited to plant, equipment, and services."

Mr. PERKINS (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the motion be dispensed with and that it be printed in the RECORD.

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

There was no objection.

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

The motion was agreed to.

MOTION OFFERED BY MR. PERKINS

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

The Clerk read as follows:

Mr. PERKINS moves to concur in the Senate amendment to the title of the bill.

The motion was agreed to.

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

APPOINTMENT OF CONFEREES

Mr. PERKINS. Mr. Speaker, I ask unanimous consent that the House insist upon its amendments to the Senate amendments to H.R. 5257 and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? The Chair hears none, and appoints the following conferees: Messrs. PERKINS, PUCINSKI, WILLIAM D. FORD, QUITE, and BELL.

JUVENILE DELINQUENCY PREVENTION AND CONTROL ACT AMENDMENTS OF 1971

Mr. PUCINSKI. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6247) to extend the provisions of the Juvenile Delinquency Prevention and Control Act of 1968 for 5 years, as amended.

The Clerk read as follows:

H.R. 6247

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Juvenile Delinquency Prevention and Control Act Amendments of 1971".

REHABILITATIVE SERVICES

SEC. 2. (a) Section 112 of the Juvenile Delinquency Prevention and Control Act of 1968 is amended by striking out "60 per centum" and inserting in lieu thereof "75 per centum".

(b) Section 113(a) of such Act is amended

by inserting "or by a nonprofit private agency or organization," after "other public agency or combination thereof," the first time it appears in such section.

AUTHORIZATION

SEC. 3. Section 402 of the Juvenile Delinquency Prevention and Control Act of 1968 is amended by striking out the word "and" before "\$75,000,000," and by inserting before the period a comma and the following: "and \$75,000,000 for the fiscal year ending June 30, 1972".

COORDINATION

SEC. 4. (a) Section 407 of the Juvenile Delinquency Prevention and Control Act of 1968 is amended to read as follows:

"COORDINATION

"Sec. 407. (a) There is hereby established an Interdepartmental Council on Juvenile Delinquency (hereinafter referred to as the "Council") whose function shall be to coordinate all Federal juvenile delinquency programs.

"(b) The Council shall be composed of the Attorney General, the Secretary of Health, Education, and Welfare, or their respective designees, and representatives of such other agencies as they shall designate.

"(c) The Chairman of the Council shall be elected by the members of that body at their first meeting which shall occur not later than thirty days after the enactment of the Juvenile Delinquency Prevention and Control Act Amendments of 1971.

"(d) The Council shall meet a minimum of six times per year and the activities of the Council shall be included in the annual report as required by section 408(4) of this Act."

(b) The first sentence of section 408 is amended by striking out "who are consulted and".

EFFECTIVE DATE

SEC. 5. The amendments made by this Act shall be effective as of July 1, 1971.

The SPEAKER. Is a second demanded? Mr. BELL. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

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

Mr. Speaker, I move to suspend the rules and pass H.R. 6247, the Juvenile Delinquency Act Amendments of 1971.

It is common knowledge that our society is plagued by a recent increase in crime, but it is not so well known that much of this increase stems from juvenile crime. From 1960 to 1968 the increase of arrests of youngsters under 18 was almost double the increase in adult arrests. Furthermore, during the entire past decade the arrest rate for persons under 18 increased four times faster than the growth rate of that age group in the general population. But most disturbing of all is the increase in juvenile arrests for violent crimes—an increase of 148 percent during the last decade with the result that by 1969 almost half of all arrests for serious crimes involved persons under 18 years of age.

The purpose of the bill before us today is to help stem this tide of crime by redirecting the Juvenile Delinquency Act toward the prevention of juvenile crime. The bill before us extends that act for 1 year with the understanding that the Department of Health, Education, and

Welfare will use this year to refocus the program toward prevention.

The other two purposes of the bill are to assist in coordinating all Federal juvenile delinquency programs through the creation of an inter-departmental council and to simplify the administration of the program by modifying the matching requirements and expanding the contracting authority.

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

Mr. Speaker, we on this side support this bill, and the amendments have been agreed to, so we have no objection to the bill.

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

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

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

I would ask the gentleman from Illinois (Mr. PUCINSKI) whether the \$75 million that is authorized here includes payments of \$40 a week to elementary school pupils to attend remedial summer classes in reading and mathematics?

Mr. PUCINSKI. The gentleman from Iowa correctly states that this bill does authorize \$75 million in expenditures. As far as answering the second part of the gentleman's question, that I believe would have to be included under the Elementary and Secondary Education Act. I am not aware that there is any such provision in this bill, only under those circumstances where perhaps a program like that could be proven to prevent juvenile crime, but this is pretty much left to the local communities to work out the local program.

I believe the main thrust of the answer to the gentleman's question would be covered under title I of the Elementary and Secondary Education Act.

Mr. GROSS. The gentleman speaks of crime, but the bill cites juvenile delinquency prevention and control. It does not say anything about crime.

Mr. PUCINSKI. If the gentleman from Iowa will read the basic law that we passed here in 1968, he will find that the Juvenile Delinquency Prevention Act does carry out a very workable program for not only reducing crime, but also giving some aid to those youngsters who have been under criminal justices, so they might be rehabilitated. The act, and now the law, does provide those programs. This is merely an extension of that act.

Mr. GROSS. I recently read in the local papers that there were some 14,700 births in the District of Columbia last year, and that some half of those births were illegitimate, and also that the District of Columbia is going to provide free contraceptives. Further it was stated that some 900 of those illegitimate births were by girls 16 years of age or younger.

Is this bill going to provide for free contraceptives in the District of Columbia and elsewhere?

Mr. PUCINSKI. I am unaware of any programs under this particular legislation for that purpose, and I am not aware of any applications under this program for that purpose.

S. 1732

An act to amend and extend the provisions of the Juvenile Delinquency Prevention and Control Act of 1968, 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 may be cited as the "Juvenile Delinquency Prevention and Control Act Amendments of 1971".

REHABILITATIVE SERVICES

SEC. 2. (a) Section 112 of the Juvenile Delinquency Prevention and Control Act of 1968 is amended by striking out "60 per centum" and inserting in lieu thereof "75 per centum",

(b) Section 113(a) of such Act is amended by inserting "or by a nonprofit private agency or organization," after "other public agency or combination thereof," the first time it appears in such section.

AUTHORIZATION

SEC. 3. Section 402 of the Juvenile Delinquency Prevention and Control Act of 1968 is amended by striking the word "and" before "\$75,000,000" and by inserting before the period a comma and the following: "and \$75,000,000 for the fiscal year ending June 30, 1972".

COORDINATION

SEC. 4. Section 407 of the Juvenile Delinquency Prevention and Control Act of 1968 is amended to read as follows:

"(a) There shall be established an Interdepartmental Council whose function shall be to coordinate all Federal juvenile delinquency programs.

"(b) The Council shall be composed of the Attorney General, the Secretary of Health, Education, and Welfare, or their respective designees, and representatives of such other agencies as the President shall designate.

"(c) The Chairman of the Council shall be appointed by the President, and its first meeting shall occur not later than thirty days after the enactment of this legislation.

"(d) The Council shall meet a minimum of six times per year and the activities of the Council shall be included in the annual report as required by section 408(4) of this title."

EFFECTIVE DATE

SEC. 5. The amendments made by this Act shall be effective with respect to appropriations for the fiscal year beginning on July 1, 1971.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 6247) was laid on the table.

GENERAL LEAVE

Mr. PERKINS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

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

There was no objection.

SOCIAL SECURITY AMENDMENTS OF 1971

Mr. COLMER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 487 and ask for its immediate consideration.

Mr. GROSS. I thank the gentleman.

Mr. PUCINSKI. Mr. Speaker, I firmly believe that the most effective method of controlling crime in America is through a comprehensive early prevention program of juvenile crime. This bill is meant to assist in finding the best means possible to fulfilling that objective.

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

Mr. PUCINSKI. I yield to the gentleman.

Mr. GROSS. Mr. Speaker, I suggest that the most progress could be made by cleaning out the juveniles in the Department of Health, Education, and Welfare.

Mr. PERKINS. Mr. Speaker, H.R. 6247 was reported unanimously by the Committee on Education and Labor. It extends for 1 additional year the Juvenile Delinquency Prevention and Control Act of 1968.

The 1968 act is designed to provide support to State and local units of government in the establishment of projects and programs for rehabilitation and preventive services as well as improving practices and techniques for dealing with juveniles. After 3 years of operation, we have a record of administration of this program that is replete with inaction, delay, and a total lack of enthusiasm. This may be partly explainable by the areas of overlap with the more popular Omnibus Crime Control and Safe Streets Act, but shows extreme shortsightedness in selecting the methods for facing the problem.

The hearings by the General Subcommittee on Education establish a record that the Department of Health, Education, and Welfare has consistently underestimated the prevention aspect of the act. Only one-third of the meager appropriation went into prevention programs when the best expert advice we can obtain indicates the most efficient use of the funds as well as the most humane treatment of the juveniles results from prevention oriented activities.

The committee, therefore, requests only a 1-year extension of the Juvenile Delinquency Prevention and Control Act in the hope that the steps already taken by Secretary Richardson and Attorney General Mitchell to coordinate the Federal activities will continue and will be successful. The committee also feels that a strong deliberate move in the area of prevention through research, experimentation and a greater understanding rather than further emphasis on arrest and incarceration will result from this cooperation. We must develop new ways to deal with this pressing national problem and this act, administered with the proper focus, will be an important tool in that process.

Mr. Speaker, I include a table pertinent to this subject at this point:

Fiscal year 1971:	
Authorization	\$75,000,000
Appropriation	15,000,000
Fiscal year 1972:	
Proposed authorization	75,000,000
Budget request	10,000,000

Mr. BELL. Mr. Speaker, I have no requests for time.

The SPEAKER. The question is on the

motion offered by the gentleman from Illinois that the House suspend the rules and pass the bill H.R. 6247, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: A bill to amend and extend the provisions of the Juvenile Delinquency Prevention and Control Act of 1968, and for other purposes.

A motion to reconsider was laid on the table.

Mr. PERKINS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1732) to amend and extend the provisions of the Juvenile Delinquency Prevention and Control Act of 1968, and for other purposes, a similar Senate bill to H.R. 6247 that was just passed under suspension of the rules.

The Clerk read the title of the Senate bill.

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

Mr. GROSS. Mr. Speaker, reserving the right to object, and I hope I shall not have to object, is the money figure the same in this bill?

Mr. PERKINS. The money figure is the same.

Mr. GROSS. Where is the difference?

Mr. PERKINS. There is only one difference.

The President appoints the Council under the Senate bill, whereas the Secretary of Health, Education, and Welfare and the Attorney General agree and formulate the Council under the House-passed bill.

Mr. GROSS. Which does the gentleman prefer?

Mr. PERKINS. I think that to let the President appoint the Council is preferable.

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

Mr. GROSS. I yield to the gentleman.

Mr. PUCINSKI. We had originally intended to suggest here that we accept this very minor change, but in view of the colloquy had with reference to the previous legislation which was read by the gentleman from Missouri and the gentleman from Iowa, we decided to abandon that strategy and we will go to conference. So this one change will have to be resolved in conference, in deference to the admonition that the gentleman gave us on the last bill.

Mr. GROSS. I am glad to hear that the gentlemen on the other side of the aisle have seen the light.

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

Mr. GROSS. I yield to the gentleman.

Mr. BELL. Mr. Speaker, on this side we prefer the selection by the President.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The Clerk read the Senate bill as follows:

The Clerk read the resolution as follows:

H. RES. 487

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1) to amend the Social Security Act to provide increases in benefits, improve computation methods, and raise the earnings base under the old-age, survivors, and disability insurance program, to make improvements in the medicare, medicaid, and maternal and child health programs with emphasis on improvements in their operating effectiveness, to authorize a family assistance plan providing basic benefits to low-income families with children with incentives for employment and training to improve the capacity for employment of members of such families, to achieve more uniform treatment of recipients under the Federal-State public assistance programs and otherwise improve such programs, and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed eight hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. It shall be in order to consider without the intervention of any point of order the amendment in the nature of a substitute recommended by the Committee on Ways and Means now printed in the bill and such substitute shall also be considered as having been read for amendment. No other amendment to the bill, and no amendment to the committee amendment in the nature of a substitute, shall be in order except amendments offered by direction of the Committee on Ways and Means, but any such amendments shall not be subject to amendment: *Provided however*, That one motion to strike out all of title IV of the committee amendment in the nature of a substitute, beginning on page 559, line 1, through page 633, line 3, of the reported bill may be considered. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

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

Mr. YOUNG of Texas. Mr. Speaker, I yield 30 minutes to the distinguished gentleman from California (Mr. SMITH), pending which I yield myself such time as I may require.

Mr. Speaker, House Resolution 487 provides a modified closed rule with 8 hours of general debate for consideration of H.R. 1, Social Security Amendments of 1971. No amendments to the bill shall be in order except those offered at the direction of the Committee on Ways and Means and all points of order are waived against the bill because of failure to comply with the Ramseyer rule and because the original Social Security Act contained appropriations. The rule also provides that it shall be in order to move to strike title IV of the committee amendment and a separate vote may be had thereon.

H.R. 1, as reported, is a very long and complex piece of legislation. It would make a number of changes in the provisions of the Social Security Act relating to the old-age, survivors, and disability insurance program, the hospital and medical insurance program, the medical assistance program and the child welfare program. In addition, the bill would provide for a basic restructuring of the national welfare system by replacing the four existing federally aided public assistance programs by new Federal programs for needy families and for needy aged, blind, or disabled persons. The bill also would modify the provisions of the Internal Revenue Code relating to the retirement income credit and reductions for child care.

Since the rule provides for 8 hours of debate, there should be ample time for the bill to be adequately explained and debated and, therefore, Mr. Speaker, I move that the resolution be adopted in order that the bill may be considered.

I yield to the distinguished gentleman from California.

Mr. SMITH of California. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, House Resolution 487 sets forth the conditions under which H.R. 1, the Social Security Act Amendments of 1971, will be considered. It provides for 8 hours of general debate under a closed rule. No amendments can be offered to the bill except by the Committee on Ways and Means. Any amendments offered by the committee shall not be subject to amendment. The committee bill is made in order as an amendment in the nature of a substitute, inasmuch as the original text of the bill was stricken and new language written therein. This is also restricted from amendment, except amendments offered by the Ways and Means Committee.

All points of order are waived because the Ramseyer rule has not been complied with, and because the Revenue Code and the Social Security Act would be open for amendment if points of order were not waived. The rule also provides for one motion to strike out all of title IV of the committee amendment in the nature of a substitute, beginning on page 559, line 1, through page 633, line 3.

Mr. Speaker, I am certain that all Members realize that many changes were made in the Rules of the House by the Reorganization Act passed last year. One of the changes has to do with a motion to strike. I wish to particularly mention this so that the Members will realize that only certain debate will be permitted when this motion to strike is offered.

Mr. Speaker, I will not be Chairman during the Committee debate, nor am I the Parliamentarian. I wish to present my opinion of the procedure. If I am wrong, Mr. Speaker, I would be pleased to yield to you or anyone else for correction as I do not intend to misinform the Members. I do, however, think that the following comments are correct.

Under the rules of the House, clause 5 of rule XXIII:

When general debate is closed by order of the House, any Member shall be allowed 5 minutes to explain any amendment he may offer, after which the Member who shall first obtain the floor shall be allowed to speak 5 minutes in opposition to it, and there shall be no further debate thereon . . .

Thus the procedure for consideration of H.R. 1 will be as follows:

First, after general debate is closed, the Chair will inquire if there are any committee amendments. If so, they will be disposed of first;

Second, if there are no committee amendments, the chair will state that a motion to strike title IV of H.R. 1 is in order;

Third, when such an amendment is offered, the provisions of clause 5 of rule XXIII come into play and the Member offering the amendment to strike title IV will be recognized for 5 minutes. At the end of 5 minutes, the first Member to gain recognition in opposition to the amendment may speak for 5 minutes. No member may gain time by the usual device of "striking the last word"—because no amendment may be offered to the motion to strike.

The vote will then occur on the motion to strike, which I assume will be recorded tellers. This procedure has been used once before when H.R. 4690, the bill to increase the debt ceiling, was considered on March 3, 1971. The Chair ruled in accordance with the above explanation, as set forth on page 4880 of the CONGRESSIONAL RECORD. I would appreciate it if those present would explain the procedure to those who are interested and not present, so that no one will later feel that they were unfairly cut off from debate. The Members must present their arguments for their position as to striking title IV or not, during the 8 hours of general debate.

Since the time when the rule was granted, I have received a letter dated June 18, signed by 16 Members, stating that they intended to vote down the previous question on the rule which, if accomplished, will permit an amendment to be offered to the rule which will make the provisions of H.R. 9156 in order as a substitute for title IV of H.R. 1. Amendments could also be offered to the substitute.

I wish that someone had mentioned this to me during the week or 10 days that efforts were being made to make title IV subject to a motion to strike. No one discussed it with me, and accordingly, in order to obtain the rule which is now being presented, I agreed to support the same. Accordingly, I will keep my word, and vote for the previous question. I am not, however, suggesting to any other Member how he or she should vote.

H.R. 1 may well be one of the most far-reaching, all-encompassing legislative proposals that this 92d Congress will consider. Articles I and II cover changes in the social security programs and the medicaid and medicare programs. Titles III, IV, and V deal with welfare assistance programs including both the adult

categories fund—disabled and blind—as well as the complete restructuring of the present aid to dependent children program.

The purpose of title I of the bill is to amend existing law in a number of instances, all aimed at liberalizing the benefits provided to all classes of beneficiaries under the Social Security Act.

An across-the-board increase of 5 percent in cash benefits is provided for all beneficiaries, payable beginning in June of 1972. Approximately 27,400,000 persons will receive increased cash payments at a cost of \$2,100 million in the first year. This will increase the minimum cash benefit for an individual from \$70.40 per month to \$74, and the average individual's monthly benefit will increase from \$133 to \$141 a month, while the increase for couples is estimated to increase from \$222 to \$234.

The bill also provides for an automatic benefit increase in any year that the Consumer Price Index increases by at least 3 percent provided that no legislation to increase benefits has been enacted or has become effective in that same year. If the automatic cash benefit increase provisions are activated, the tax wage base and tax rate will also be automatically increased to meet the added costs, and the amount of earnings exempted under the retirement test would also be increased.

H.R. 1 liberalizes the amount of cash earnings a retired beneficiary may earn in a year without suffering any reduction in his benefits. The present maximum of \$1,680 per year is increased to \$2,000. When earnings above that figure are received, each \$2 in earnings will result in a \$1 reduction of benefits—but not a dollar-for-dollar reduction as is possible under current law.

Title II of the bill deals with two existing programs—medicare and medicaid. It liberalizes eligibility requirements to permit some 1,500,000 additional persons to qualify for medical benefits, and in a number of instances, seeks to tighten up administration of the programs and impose modest and limited cost-sharing on program beneficiaries to insure continued fiscal soundness.

Under the bill, medicare coverage will be substantially broadened to include all persons entitled to disability benefits under both the social security and railroad retirement programs, after they have been disabled for a period of 2 years. This additional coverage beginning in July 1972, will provide medicare benefits for an estimated 1,500,000 disabled persons at a cost of \$1,850,000,000 in the first year.

Also made eligible for medical benefits for the first time are those persons over 65 who are not eligible to enroll in medicare. They may now enroll in the supplemental medical insurance program at the same cost paid by medicare beneficiaries who choose this additional coverage—\$31 per month. This cost per month will be increased in the future only in the event of a general increase in cash benefits for the enrollees.

The bill seeks to discourage prolonged stays in medical institutions by reducing

Federal benefits after an initial period to insure that those who can be discharged will be, so that those in greater need can be admitted. Under the bill, Federal matching funds to the several States for payment of institutional care will be reduced: First, by one-third after the first 60 days of care in a TB or general hospital; second, by one-third after the first 60 days in a skilled nursing home; and third, by one-third after 90 days in a mental hospital, which may be extended for an additional 30 days if the State shows that the patient will benefit therapeutically from the additional period.

Title III of the bill deals with assistance to the aged, the blind and the disabled, the adult categories as they are known. Under present law these are administered by the several States, each of which may set its own benefit level and its own eligibility standards. Currently, there are 54 State programs—and the Federal Government is assisting in the funding of each. Benefit levels, for a couple with no income, range from a low of \$97 per month up to \$350. The adult assistance categories—characterized as they are by relative stability in numbers of beneficiaries—are prime targets for reform aiming at national standards of eligibility and efficient administration to insure maximum benefit from the funding available.

Thus, the bill, effective July 1, 1972, repeals the three existing programs of assistance to the aged, blind, and disabled and replaces them with one new program, federally administered and financed. National standards of eligibility, benefit levels, and permissible income levels are established by the bill. It is estimated that in the first year of the new program 6,200,000 aged, blind, and disabled persons will be eligible for benefits. By 1975, when the ultimate benefit level is reached, it is estimated that 7,100,000 beneficiaries would be eligible to receive \$5,400,000,000 in benefits under the new Federal assistance program.

Persons eligible for such assistance are those over 65, those who are blind or who are disabled. Definitions of "blind" and "disabled" are those currently used in the Social Security Act. Disabled children under the age of 21 would also be eligible to receive benefits.

Title IV deals with the most serious problem confronting our current welfare assistance program—Aid to Families with Dependent Children—AFDC. To say that the system is a disaster which is growing worse each year is to say only what is obvious. The present system penalizes very low wage earners, driving them off the payroll and onto the relief roll, where it encourages them to remain. It tends to break up families and to produce—as it already has—whole generations of citizens who have never known any other life and are devoid of any drive toward self-advancement. To add to the problem, the eligibility requirements and benefit levels are set by the States. Benefits for a family of four range from a low of \$97 per month to over \$300. There is, thus, a built-in gra-

vation to the high-benefit States. The numbers on the welfare rolls are increasing alarmingly.

During the period 1960–1969 the AFDC rolls increased by 4,400,000 persons, a 147-percent increase; the total cost of the program nationally increased from about \$1 billion to about \$3,500,000,000. It was during 1970, however, that the situation became completely out of hand. Expenditures in January 1971, reached \$482,423,000—for 1 month—a 40.5-percent increase over January 1970. The number of AFDC recipients rose from 7,501,000 in January 1970 to 9,773,000 in January 1971, an increase of 2,272,000 in 1 year.

Families with at least one member who is employable will be enrolled in the Opportunities for Families program, administered by the Department of Labor. Those families in which there is no employable member, as that term is defined, will be enrolled in the family assistance plan, administered by the Department of Health Education, and Welfare. It is estimated that some 4,670,000 families, totalling 19,400,000 persons, will be eligible for assistance under these two new programs. Many of those are now employed at very low wages rather than actually unemployed. These will be eligible only for partial support assistance.

Families enrolled in both programs will be eligible for Federal benefit payments based upon criteria set forth in H.R. 1—criteria which is identical for both programs. Benefits would be payable at a rate of \$800 per year for the first two members, \$400 for the next three, \$300 for the next two, and \$200 for all others. This will provide a payment of \$2,400 per year to a family of four with no income. The maximum Federal payment, for a family of eight or more persons with no income, would be \$3,600. Benefits would be reduced as a family's income increases; when a family of four earns \$4,320 per year, it would no longer qualify for Federal benefit payments.

The Federal cost under the current law is approximately \$9,400,000,000. H.R. 1 would increase this figure, in the first year, to an estimated \$14,800,000,000—or an increase in Federal costs of \$5,400,000,000.

Mr. Speaker, for the information of the Members from California, I wish to state that as of now, it has been impossible to determine the definite impact that H.R. 1 may have on California. As soon as H.R. 1 and the report were available, copies were sent to Governor Reagan. However, time has not been sufficient to permit a thorough analysis as to what H.R. 1 will do so far as California is concerned.

Under date of June 11, Governor Reagan advised me that an analysis of H.R. 1 was very much more difficult than they thought that it would be. Probably due to the fact that HEW is apparently basing their California impact assessment on some assumptions we cannot accept. Further, that perhaps if the bill cannot be held up until all States have had a chance to analyze it fully, then title IV

should be removed for separate consideration.

Last Friday, June 18, I advised the Governor that this bill would be considered today and requested information as to its effect on California. Later that afternoon I was advised as follows:

I am very sorry to learn that your efforts to get the states enough time to project the impact of H.R. 1 on their welfare programs were not successful.

As of now, it appears that H.R. 1 contains so many options and undefined secretarial discretionary powers that a hard fiscal analysis and human impact definition will take considerably more time than we thought it would.

Therefore, I am notifying our delegation and others who have inquired that I support any attempt to strike Title IV from H.R. 1 so that it can be considered separately on its own merits, hopefully after sufficient time is allowed for all the states to form their opinions and inform their delegations.

All we know now for sure is that, under any combination of options, net cost savings to California under the "hold harmless" clause will in no way equal or exceed the total impact on California's federal taxpayers resulting from a program cost increase of \$5 billion. Californians pay in excess of 10 percent of the cost of any federal program. Thus, H.R. 1 has an immediate built-in cost to them of over \$500 million.

Mr. Speaker, I shall continue to support the basic merits of any legislation designed to assist our senior citizens, the disabled, the blind, the infirm. On the other hand, it is my intention to do everything within my power to bring about reform of the welfare program—to assure that every able-bodied individual provide for himself and his dependents through job opportunities and work-training where needed. The present system must be restructured on a more equitable basis for all citizens. I do not believe that the States have had sufficient time to study the effects of title IV of H.R. 1 on them. If it will help, I am certain that they will support it. But they need more time because it is so extensive. It should be considered separately. Accordingly, I intend to vote to strike title IV.

Mr. Speaker, I reserve the balance of my time.

Mr. YOUNG of Texas. Mr. Speaker, I yield 10 minutes to the distinguished gentleman, the chairman of the Committee on Rules, the gentleman from Mississippi (Mr. COLMER).

Mr. COLMER. Mr. Speaker, I approach this bill with the greatest seriousness and the most misgivings I think of any bill that has come before this body in my time in this House. I think it is more serious than even the occasion when I was called upon to cast my vote to declare war. I think it is the most momentous thing that we will have voted on during our tenure of office here.

Mr. Speaker, why do I say that? Because, in my judgment, Mr. Speaker, we have reached the forks of the road. We either are going to continue down the path that has made this country the envy of the world under the free enterprise system, under the individual initiative system, under the type of government that our forefathers set up for us,

or travel the other fork of the road of political expediency.

Mr. Speaker, I am not going to discuss the rule at this point in debate because I think it has been amply covered. But I want to get back to the importance of the thing that we are about to do here on the welfare question. Now, why do I say that? Because in this bill you have, broadly speaking—and there are other titles—but, broadly speaking, two divisions of legislation.

One is social security—and I shall not discuss that because the time would not permit it even if I were knowledgeable enough to discuss it, but I do know, and I am knowledgeable enough, in my own opinion, to know that if we do not follow that road that we started out on then we are going to take the other one. Some people deny it, but I think every one must agree that it is a guaranteed annual income.

This year under this bill there is \$2,400 guaranteed to a family of four. I say to the gentleman from Illinois (Mr. DERWINSKI), when that bill gets over to the other body, the more liberal body, it will come out at \$3,000 or \$3,500. Maybe under the able leadership of the distinguished gentleman from Arkansas, my good friend, a man for whom I have great admiration and personal affection, Mr. MILLS, he may be able to get some kind of a compromise, but that will be toward the end of the year. Next year we have not only a congressional election, but a Presidential election, and, oh, I can see the boys out on the stump now. It is going to be a contest between the candidates for Congress, and I am not sure it is not going to be a contest between the presidential candidates, as to who can promise more to the people. Who is willing to make it \$5,000? Who is willing to make it \$10,000? This thing can only go in one direction, and that is go up. I honestly believe that in the next decade it will might be \$10,000.

Did you ever see a bill enacted by the Congress passing out gratuities to the people that stopped at what we started with? It goes up and up and up. The other major provision of this bill, social security, is a good example. It too is going far beyond its original concept.

Yes, I can see, once we embark upon this thing, I can see you when you are speaking at that picnic, or in that union chamber, or wherever it is, and this constituent comes up to you and he says, "Well, you gave us a little guaranteed income here of \$3,000," or \$3,500, whatever it winds up to be. "Why, Mr. Congressman, you are drawing \$42,500 a year, and yet you are unwilling to let us have \$5,000," or \$10,000. How are you going to answer that? You have been through it with other legislation. I say it is a dangerous road to start out on because you can never, never stop it.

Of course it is fundamental. It is hackneyed to say that those of us who are old fashioned enough believe that the people have got to support the Government, the Government cannot support the people. Oh, that is so trite it should not be necessary to mention it. But that

is the road that you are going to embark upon, the road whereby the Government begins to support the people.

History tells us that the Roman Senators in order to incur favor with the electorate, with the people at home, started out giving them free baths. But we passed that a long time ago. We are giving them free breakfasts and free lunches, and so many other benefits at the expense of the taxpayers.

But now we are going to guarantee them everything—a living wage, a living existence. If I had any assurance, if my good friend, the gentleman from Arkansas, could just convince me as he told me when he was up before my committee that he was going to convince me—if he could just convince me that we would stop at \$2,400—maybe so. But he knows and I know that we are not going to stop there.

Now, my friend, those who support this philosophy of government are going to tell you that the present welfare system is bad—that it is a rotten mess. I agree with that right now. It has gotten out of hand. But are we going to start off on a different road, as a panacea for that—where we can never stop?

Yes, once we start on that, there is turning back. This is the main thrust of my argument.

I am sure that this distinguished Committee on Ways and Means can come up with a different and a better answer to the present welfare system. But if they cannot, as bad as it is, I would rather have that than have what we are asked to take in this bill.

The SPEAKER. The time of the gentleman from Mississippi has expired.

Mr. YOUNG of Texas. Mr. Speaker, I yield 3 additional minutes to the gentleman.

Mr. COLMER. I thank my colleague.

I just want to discuss the rule for a moment. This rule simply provides that you will have one motion, and one motion alone. One amendment is all that can be offered unless the Committee on Ways and Means sees fit to offer a committee amendment. I doubt that that will be an amendment of any substance. And if they do offer one, it is usually a kind of housekeeping proposition—a technical amendment.

Mr. Speaker, I want to compliment my committee and on the modified rule it reported because it has historically been true, ever since I have been in the Congress, that the bills that come out of the Ways and Means Committee are under a closed rule. My views on that are, of course, well known to those who might be interested—I do not like closed rules. But we worked out here the best rule we thought we were capable of getting, and having sustained on this floor, and that was to give the Members of this House an opportunity to say whether they wanted to embark upon this dangerous road or whether they wanted to strike that provision out of the bill.

I think we did a pretty good job in that we at least got the camel's nose under the closed rule tent, and you do

have an opportunity to vote as you see fit on the guaranteed income provision. You can take it or leave it.

This time when you go back home you do not have to tell your constituents that you were gagged and you could not vote. For here you do have the option to vote upon this one question.

Incidentally, I am advised by the Parliamentarian that under the rules of the House we will have only one speech of 5 minutes for the amendment and 5 minutes against it, so that those of you who want to discuss this phase of the legislation will have to get your time during the 8 hours granted to the Ways and Means Committee for general debate.

Mr. Speaker, let me reiterate, if I may: I am not the wisest man in this Congress. No one knows that better than I do. But this is most serious, and I trust that the House will so regard it.

The distinguished and able gentleman from Oregon, a member of the Ways and Means Committee, will at the appropriate time offer the motion to strike this dangerous guaranteed income title, title IV from the bill.

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

Mr. COLMER. I yield to my friend, the gentleman from Alabama.

Mr. ANDREWS of Alabama. I do not know whether this point should be considered or not, but my information is that the first year's cost of this new so-called guaranteed income will add \$5 billion to the cost of welfare. The gentleman in the well knows the Nation owes about \$400 billion. The Treasury statement of the 15th of June of this year shows that in the first 11½ months of this year we were running a deficit at \$30 billion. There will be a bill on the floor of the House on Friday from our Appropriations Committee with an appropriation for the Treasury Department, and in that bill is a line item of \$21.150 billion just for the interest on the national debt.

I think those frightening figures should be taken into consideration when you consider adding another \$5 billion to the welfare program.

Mr. COLMER. I thank my friend for his contribution.

Finally, Mr. Speaker, permit me to urge the Members of this House to support the Ullman amendment. Surely good judgment, a sense of fiscal responsibility, love of country, and the desire to perpetuate our system of free enterprise and the fruits of individual effort should and will outweigh political expediency. In my considered opinion if this guaranteed income provision is written into law we will have taken the final step toward a socialistic state.

Mr. SMITH of California. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Speaker, the distinguished chairman of the Rules Committee devoted most of his commen-

tary to the bill before us, but I would rather discuss the rule. First, may I say that any criticism I might make of the rule is not intended to reflect on the problems the committee had, nor do I wish to reflect on the usual astuteness in handling legislative matters that the gentleman from Arkansas, the chairman of the Ways and Means Committee, generally displays. I wish to remind the Members that a little over a week ago we faced an interesting vote on the sugar bill rule, which for reasons completely different than the issue before us, it was deemed necessary to protect that bill by a closed rule.

A little over a year ago I was involved in the debate and amendments on the House floor on postal reform. It was deemed at that time that an open rule should be permitted. The Members had an opportunity to aid or stymie the cause of postal reform. The argument was never made, as I think it well could have been made, that reform of the Postal Service should not be entrusted to the 410 Members who did not serve on the proper committee.

We are told that unless we are members of the Ways and Means Committee we just do not understand the welfare problem. This might be so in relation to some of the technical bills that the committee reports, but it is not so in relation to welfare, since most of us, having been businessmen, State legislators, or lawyers before reaching the Congress, are familiar with the welfare problems at least in our home communities and States. To claim that there is a difference when you are a Member on the Ways and Means Committee looking at welfare reform in contrast to the viewpoint of a normal Member does not hold water. I would think, in this case at least, modifying the closed rule would be in order.

I do not propose that we have a completely open rule. I do propose that we substantially modify the rule as it would apply to title IV so that meaningful alternatives to that welfare section could be provided.

First, in chatting with a few of the Members, I find that they have all been receiving letters and telegrams from their mayors and Governors taking quite a variety of approaches for or against this bill.

Some of the Governors are saying, "Please vote through this reform bill; it will save my State budget." Other Governors are writing in, "Just a minute; I am not sure what you are doing to it; hold on a minute."

The same confusion applies with respect to letters from mayors.

Nobody really knows what we are doing with this legislation, and least of all the people spending the money should it be passed.

We also have a time problem with the other body. Driving in this morning I listened with great interest to a news report which stated the Senate would not consider this measure until early in 1972. So there really is not any reason this afternoon, as I see it, to "gag" the Mem-

bers after 8 hours of debate. This sounds rather liberal, but what is 8 hours of discussion when no one is allowed to offer amendments after the completed debate? Under the rule as provided, Members have been told by the gentleman from California (Mr. SMITH) and by the gentleman from Mississippi (Mr. COLMER) there will be actually 10 minutes of debate on the key vote, on the only vote allowed, which will be to strike title IV.

This is not debate. The 8 hours will be an exchange of press releases between Members. Any questions, if they are not answered, will not be reflected in any meaningful vote.

I would suggest that the logical thing to do is to vote down the previous question, to open up title IV to proper amendments, and to let the House in the truest sense of a legislative body try to work its will on this program, which is vital to every one of us. Every one of us is as knowledgeable as our beloved colleagues on the Ways and Means Committee. I should certainly think that above all else they would appreciate the help of 410 other Members representing citizens, welfare recipients, taxpayers, in our districts.

I certainly hope that at the proper time we shall vote down the previous question.

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

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

Mr. GROSS. Of course, they are bound to take more time on this bill over in the other body because there are more presidential candidates over there.

Mr. DERWINSKI. I was not aware the gentleman from Iowa had entered the list.

Mr. GROSS. Oh, no.

Mr. DERWINSKI. That was not the gentleman's point?

Mr. GROSS. I am just pointing out why more time will be taken over there on the bill. It will be delayed. The gentleman says it probably will not be considered until 1972 over there, which gives them time to prepare their campaign speeches.

Mr. DERWINSKI. The point I was attempting to make was we need not act with haste this afternoon and tomorrow. We could easily work on this bill all week, and take all the time that a revised rule would give us for proper amendments.

Mr. SMITH of California. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois (Mr. ANDERSON).

Mr. ANDERSON of Illinois. Mr. Speaker, I find myself in a somewhat painful position, being obliged to disagree with my good friend the gentleman from Illinois (Mr. DERWINSKI) because I come to the well this afternoon to urge the Members of this House to vote for the previous question and to adopt the rule.

I say this even though I sympathize very deeply with the frustration which the gentleman and many Members of this body feel.

Indeed, I take this time primarily to explain why it is I have arrived at this

position today, even though in the Rules Committee I did offer a substitute, as I believe many Members know, to the motion which was offered to permit merely a vote on title IV, the family assistance program portion of the bill.

It was my wish and my desire that H.R. 1 be an instrument of fiscal relief for our States in fiscal year 1972. It seemed to me as the bill emerged from the committee it was not really going to achieve that desirable purpose.

I took exception, for one thing, to the use of calendar year 1971 as the base year for the hold harmless clause as it refers to the States. I would have preferred, as I believe the chairman of the committee knows, as I told when he appeared before the Committee on Rules, that they use the fiscal year 1971 or the calendar year 1970, which would have meant something rather substantial in the way of fiscal relief to the States.

It seems to me that in the provisions of the bill as they relate to medicaid that those things might well have been deferred in view of the fact that this committee is going to undertake a review of the whole medicare and medicaid problem. But by limiting reimbursement to the States to 105 percent when it comes to skilled nursing home care and intermediate care again it will cost my particular State some money, because those costs are rising more than 5 percent a year, at the rate of something like 13 to 15 percent a year.

So I offered a substitute in the Committee on Rules that would open up partially titles II, IV, and V. However, I cannot go along with those this afternoon who are suggesting that we ought to vote down the previous question and adopt a substitute rule which would open up completely title IV.

And now I wish to reply to my very dear and distinguished friend, and there is no man in this House for whom I feel greater affection and respect than the distinguished chairman of my Committee on Rules, the gentleman from Mississippi (Mr. COLMER). He referred to the path that has led our country to the point where it is the envy of the world.

Much as I agree with that, I am constrained to call your attention to the fact that that same pathway has led us to the point where in our morning paper we read that welfare rolls literally doubled since the President made his initial proposal for welfare reform in August of 1969.

Mr. Speaker, as I studied the hearings before the Committee on Ways and Means and was made aware of the 36-percent increase in costs in 1970 and the 32-percent increase in caseloads I was appalled. It seems to me that when the gentleman from Alabama (Mr. ANDREWS) warns this House of an immediate increase in costs to the Federal Government if we adopt this welfare reform program, he is overlooking one very important thing; namely, that increase in costs is taking place right now and will continue to occur unless we do the kind of thing that the Committee on Rules is asking us to do in title IV of this bill.

The tragic thing to me was to read that we have literally witnessed a tri-

pling of the number of children living in families without fathers in our country in just the last few years. This is what is truly destructive, it seems to me, of our national morale and of the fabric of our country. That is what, more than anything else, dictates to me the necessity for legislating the kind of reform the committee is asking us for in title IV of this bill.

So, despite some of the changes we might want to make and that, very frankly, I hope are going to be made when this bill reaches the other body, I cannot believe that there is the kind—and now I speak to the gentleman from Illinois (Mr. DERWINSKI)—I cannot believe that there is the kind of consensus in this body which would favor the adoption of the Ullman substitute or the adoption of the Curtis bill, so-called, as a substitute to the committee bill. It seems to me that what you would have happen on the floor of the House tomorrow or the next day would be a voting down of these substitutes and possibly a voting down of the whole family assistance program with consequences that we would not like to see.

So, Mr. Speaker, I would urge the Members of this House this afternoon to consider very carefully the position that they would put themselves in by voting down the previous question. I would ask them to vote for the previous question and adopt the rule so that we can get on with the business of reforming the welfare program of this country.

Mr. RANDALL. Mr. Speaker, as we start down the road to consider H.R. 1, once again we run head on into the same adamant and determined stand by the House Committee on Ways and Means that somehow they must always enjoy the privilege of a closed rule.

As I have consistently done in the past, I intend once again to oppose the closed rule today. Moreover, if the opportunity is presented, I intend to vote against the previous question, not simply to be negative or dilatory, but because if the previous question is not ordered, it will then be in order to amend the rule. In any event, a vote against the previous question will give us all an opportunity to be on record as opposing the gag rule even though the previous question should be ordered, and a closed rule later adopted on a voice vote.

As always, the Committee on Ways and Means seeks to justify their request for a closed rule because they contend the right to amend would open up every provision of the Internal Revenue Code. Surely they are not serious because as long as we have a Parliamentarian to rule upon whether or not a provision is germane, repeated points of order could be raised by the committee to amendments which are either frivolous in nature or not germane to the provisions of H.R. 1.

Another reason cited in favor of the closed rule which we hear so frequently in conversation with members of the Ways and Means Committee is the answer they give by way of a rhetorical question, "You would not want to be working on this bill until the 4th of July, would you?" This kind of an answer convinces me that when the chairman and the members of

the Committee on Ways and Means cannot find a logical reason to justify a closed rule, they are willing to use an emotional reason.

Maybe it would be a good thing if we did devote a week or more to H.R. 1. Perhaps spend 2 or 3 days in a row, and then allow for some time to digest the debate. After that we could start over again for another 2 or 3 days. Such a suggestion is not unreasonable if you take the time to look at H.R. 1. If you do find it contains 687 pages, and the accompanying report contains 386 pages.

There is so much contained in H.R. 1 that a Member of the House who is not a member of the Ways and Means Committee should be entitled to a little more than 8 hours to learn as much as he can about such a costly and far-reaching measure. One, not on the Committee on Ways and Means should have the opportunity to question members of the committee in open debate on the floor of the House. Then he should certainly be accorded the right of amendment.

Mr. Speaker, not long ago there seemed to be rather general rejoicing about H.R. 1 that the Rules Committee had passed out what was described as a "modified closed rule." For awhile the reaction was that at long last the Rules Committee had relented and had really denied the request for a closed rule. But even the wordsmiths, if they are going to be fair, know that when they coined the words a "modified closed rule" were engaged in a kind of deception. The word "modified" should be stricken and simply call it a closed rule. The reason that this is true is that they have given us but one little narrow choice and that is to strike out title IV.

The announced objects of H.R. 1 was to reform the welfare pattern in the United States. But once again it is the same old story that the membership of the Ways and Means Committee know best, and the rest of us could not possibly be possessed of any meritorious or worthwhile contribution by way of amendment.

The best way to legislate would be to permit all members to offer their contributions to improve legislation before the Congress. Only through such a procedure could each member fully represent his constituents. Today we face once again the old argument that no bill involving revenues can be improved on the floor of the House. That argument can successfully be demolished by a procedure we follow in another very sensitive area of legislation, that of appropriations bills which are always considered under open rules to permit all members to voice their opinions and to offer meritorious amendments.

If this gag rule is adopted today the membership of this House must accept or reject the will of 25 members of the Ways and Means Committee.

Assume the closed rule is forced upon us and H.R. 1 is passed. It will then be sent to the other body where all 100 Members will have a voice in the future course of H.R. 1.

Last year on the welfare reform bill the other body adopted so many amendments it was impossible for the conference committee to iron out the differ-

ences within the time limitation of the 91st Congress.

Yes, the time has come for the membership of this body to stand up for itself. We must reject this closed or gag rule. Welfare reform is needed. It can be accomplished if only the opportunity is available to make the corrective amendments which are required to make H.R. 1 an acceptable piece of legislation.

Mr. YOUNG of Texas, Mr. Chairman, I move the previous question in the resolution.

The SPEAKER. The question is on ordering the previous question.

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

Mr. DERWINSKI. 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 Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 200, nays 172, answered "present" 2, not voting 59, as follows:

[Roll No. 152]

YEAS—200

Abbutt	Fascell	Mills, Ark.
Abernethy	Findley	Minish
Adams	Fish	Monagan
Alexander	Fisher	Montgomery
Anderson, Ill.	Flood	Morgan
Andrews, Ala.	Flowers	Murphy, Ill.
Andrews,	Foley	Murphy, N.Y.
N. Dak.	Forsythe	Natcher
Annunzio	Frelinghuysen	Nedzi
Belcher	Frenzel	Nelsen
Bell	Fulton, Tenn.	Obey
Bergland	Galifianakis	O'Hara
Betts	Garmatz	O'Konski
Biester	Gaydos	O'Neill
Blanton	Gialmo	Patten
Boggs	Grasso	Pelly
Boland	Gray	Pepper
Bolling	Green, Oreg.	Perkins
Bow	Griffin	Pettis
Brademas	Griffiths	Peyser
Brasco	Hagan	Pirnie
Brooks	Hammer-	Podell
Brotzman	schmidt	Poff
Broyhill, Va.	Hanley	Preyer, N.C.
Buchanan	Hansen, Idaho	Price, Ill.
Burke, Mass.	Hansen, Wash.	Pryor, Ark.
Burleson, Tex.	Hechler, W. Va.	Pucinski
Burlison, Mo.	Heckler, Mass.	Quillen
Burton	Hicks, Mass.	Rallsback
Byrne, Pa.	Hillis	Rees
Byrnes, Wis.	Holfield	Rhodes
Byron	Howard	Robison, N.Y.
Cabell	Johnson, Calif.	Roncallo
Carey, N.Y.	Johnson, Pa.	Rooney, N.Y.
Carney	Jones, Ala.	Rooney, Pa.
Carter	Karth	Rostenkowski
Cederberg	Kazen	Roush
Celler	Kee	Ruppe
Chamberlain	Keith	Sandman
Chappell	Kluczynski	Schneebeli
Clark	Kuykendall	Schwengel
Collier	Kyros	Shipley
Colmer	Landrum	Sisk
Conable	Link	Skubitz
Conte	Lloyd	Slack
Corman	Lujan	Smith, Calif.
Cotter	McClory	Smith, N.Y.
Daniel, Va.	McCormack	Springer
Daniels, N.J.	McDade	Stafford
Davis, Ga.	McFall	Staggers
Davis, S.C.	McKay	Stanton,
de la Garza	Macdonald,	J. William
Delaney	Mass.	Stanton,
Dellenback	Mailliard	James V.
Dingell	Mann	Steed
Dorn	Martin	Steele
Dulski	Matsunaga	Steiger, Wis.
Dwyer	Mayne	Stevens
Eckhardt	Meeds	Stubblefield
Edwards, Calif.	Meicher	Sullivan
Eilberg	Mikva	Teague, Calif.
Evins, Tenn.	Miller, Calif.	Thompson, N.J.

Thomson, Wis.
Thone
Udall
Vanik
Veysey
Ware
Watts

Abourezk
Abzug
Addabbo
Anderson,
Calif.
Archer
Ashley
Aspin
Aspinall
Baker
Baring
Begich
Bennett
Bevill
Blackburn
Brinkley
Broomfield
Brown, Mich.
Burke, Fla.
Caffery
Camp
Casey, Tex.
Chisholm
Clancy
Clausen,
Don H.
Clawson, Del
Clay
Cleveland
Collins, Ill.
Collins, Tex.
Conyers
Coughlin
Crane
Culver
Dellums
Denholm
Devine
Diggs
Drinan
Duncan
du Pont
Edwards, Ala.
Esch
Evans, Colo.
Flynt
Ford,
William D.
Fountain
Fraser
Frey
Fulton, Pa.
Goldwater
Gonzalez
Goodling
Green, Pa.
Gross
Gubser
Gude

NAYS—172

Haley	Pickle
Hall	Pike
Hamilton	Poage
Harrington	Powell
Harsha	Price, Tex.
Harvey	Quie
Hastings	Randall
Hathaway	Rangel
Hawkins	Rarick
Hays	Reid, Ill.
Helstoski	Reid, N.Y.
Henderson	Reuss
Hicks, Wash.	Roberts
Hogan	Robinson, Va.
Horton	Roe
Hosmer	Rogers
Hull	Rosenthal
Hungate	Roussetot
Hutchinson	Roybal
Ichord	Ruth
Jacobs	Ryan
Jarman	Sarbanes
Jonas	Saylor
Jones, N.C.	Scherle
Kastenmeier	Scheuer
Keating	Schmitz
Kemp	Scott
King	Sebelius
Koch	Shoup
Kyl	Shriver
Landgrebe	Sikes
Latta	Smith, Iowa
Leggett	Snyder
Lennon	Spence
Long, Md.	Steiger, Ariz.
McCloskey	Stokes
McClure	Stuckey
McCullister	Symington
McDonald,	Talcott
Mich.	Teague, Tex.
McKevitt	Terry
McKinney	Thompson, Ga.
McMillan	Tieman
Madden	Ullman
Mahon	Van Deerlin
Mazzoli	Vander Jagt
Metcalfe	Waggonner
Michel	Waldie
Miller, Ohio	Wampler
Mink	Whalen
Minshall	White
Mitchell	Whitehurst
Mizell	Winn
Moorhead	Wolf
Mosher	Wylie
Myers	Wyman
Nichols	Young, Fla.
Nix	Zion
Passman	

Yates
Yatron
Young, Tex.
Zablocki
Zwach

Mr. Arends for, with Mr. Derwinski against.
Mr. Edmondson for, with Mr. Taylor against.

Mr. Erlenborn for, with Mr. Hunt against.
Mr. Barrett for, with Mr. Riegle against.
Mr. Donohue for, with Mr. Ashbrook against.

Mr. Anderson of Tennessee for, with Mr. Dickinson against.

Mr. Brown of Ohio for, with Mr. Hébert against.

Mr. Stratton for, with Mr. Bingham against.

Mr. Charles H. Wilson for, with Mr. Hanna against.

Mr. Davis of Wisconsin for, with Mr. Badillo against.

Until further notice:

Mr. Blatnik with Mr. Bray.

Mr. Biaggi with Mr. Grover.

Mr. Jones of Tennessee with Mr. Mathias of California.

Mr. Vigorito with Mr. Lent.

Mr. Danielson with Mr. Eshleman.

Mr. Fuqua with Mr. Broyhill of North Carolina.

Mr. Gettys with Mr. Dennis.

Mr. Purcell with Mr. Whalley.

Mr. Dent with Mr. Halpern.

Mr. Downing with Mr. McEwen.

Mr. Gallagher with Mr. Wylder.

Mr. Mathis of Georgia, with Mr. Mills of Maryland.

Mr. Patman with Mr. Mollohan.

Mr. Dowdy with Mr. Dow.

Mr. Gibbons with Mr. Long of Louisiana.

Mr. Runnels with Mr. Roy.

Messrs. HAYS and LONG of Maryland changed their votes from "yea" to "nay."

Mr. BELCHER changed his vote from "nay" to "yea."

Mr. MORSE. Mr. Speaker, I have a live pair with the gentleman from Michigan (Mr. GERALD R. FORD). If he had been present he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

Mr. DERWINSKI. Mr. Speaker, I have a live pair with the gentleman from Illinois (Mr. ARENDS). If he had been present he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. MILLS of Arkansas. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1) to amend the Social Security Act to provide increases in benefits, improve computation methods, and raise the earnings base under the OASDI program, to make improvements in the medicare, medicaid, and maternal and child health programs with emphasis on improvements in their operating effectiveness, to authorize a family assistance plan providing basic benefits to low-income families with children with incentives for employment and training to improve the capacity for employment of members of such families, to achieve more uniform treatment of recipients under the Federal-State public assistance programs and otherwise improve such programs, and for other purposes.

ANSWERED "PRESENT"—2

Derwinski

Morse

NOT VOTING—59

Anderson,	Edmondson	Mills, Md.
Tenn.	Edwards, La.	Mollohan
Arends	Erlenborn	Moss
Ashbrook	Eshleman	Patman
Badillo	Ford, Gerald R.	Purcell
Barrett	Fuqua	Riegle
Biaggi	Gallagher	Rodino
Bingham	Gettys	Roy
Blatnik	Gibbons	Runnels
Bray	Grover	St Germain
Brown, Ohio	Halpern	Satterfield
Broyhill, N.C.	Hanna	Seiberling
Danielson	Hébert	Stratton
Davis, Wis.	Hunt	Taylor
Dennis	Jones, Tenn.	Vigorito
Dent	Lent	Whalley
Dickinson	Long, La.	Wilson,
Donohue	McCulloch	Charles H.
Dow	McEwen	Wylder
Dowdy	Mathias, Calif.	
Downing	Mathis, Ga.	

So the previous question was ordered.

The Clerk announced the following pairs:

On this vote:

Mr. Rodino for, with Mr. Moss against.
Mr. Satterfield for, with Mr. St Germain against.

Mr. Gerald R. Ford for, with Mr. Morse against.

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

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 1, with Mr. DINGELL in the chair.

The Clerk read the title of the bill.

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

The CHAIRMAN. Under the rule, the gentleman from Arkansas (Mr. MILLS) will be recognized for 4 hours, and the gentleman from Wisconsin (Mr. BYRNES) will be recognized for 4 hours.

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

Mr. MILLS. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, H.R. 1, in my opinion, is a monumental bill. Not only is it a monumental bill, but I think there is more confusion outside of the Congress, and I dare say some within the Congress, about it than any bill that I remember having anything to do with in the more than 30 years that I have been in Congress.

I have looked over the analyses of the bill which have been made by the American Conservative Union, the Chamber of Commerce, which again, in this instance, took a position before the bill had been reported, and the National Welfare Rights Organization.

When you can get the National Welfare Rights Organization and the American Conservative Union together in the same bed, there must be some confusion somewhere. One of them says that we have gone down the road of socialism in this bill and that we are providing for an annual guaranteed income. The other organization says we have not done enough.

If we went the route of the National Welfare Rights Organization and had brought a bill to the House that had a basic floor of support, for a family of four without any income, of \$6,500, we would have been asking the House to approve a measure that would add not less than \$70 billion to the present cost of welfare—\$70 billion.

Mr. Chairman, this bill contains more amendments to the Social Security Act than any bill I can remember the Committee on Ways and Means having reported during the time I have been on the committee.

Let me just tell you, it contains 43 separate amendments to the provisions of the act relating to the social security cash benefit program; 58 amendments to medicare and medicaid. The social security amendments alone in the bill are equivalent in cost to a 19-percent across-the-board increase in benefits, according to the estimates of the staff of the Committee on Ways and Means, or 21 percent according to a former Secretary of Health, Education, and Welfare, who is quite an authority himself. One of the most illustrious of them says—and I am talking of Secretaries—who has had

about as much experience in this field as anyone else—that he considers this to be the most important set of amendments to the Social Security Act, since the act was created, back in the days of President Roosevelt.

Now, important as all of these amendments are to the social security cash benefit program and to medicare and to medicaid, apparently the crux of the argument relates to title IV.

Mr. Chairman, I want to talk, therefore, about title IV, and if I may have permission, I will extend my remarks in the RECORD in explanation of amendments to these other three parts of the bill that I have mentioned.

The CHAIRMAN. Without objection, so ordered.

There was no objection.

Mr. MILLS. Mr. Chairman, I would like to explain what the major welfare problems are and the solutions to these problems, which are contained in title IV, which is, under the rule, open to one motion to strike.

The Committee on Ways and Means has been looking at this subject matter now for 2 years. You will recall that last year we reported to you a bill proposing some fundamental changes in welfare, trying to restructure it and to redirect it. You will recall that the bill passed the House by a substantial margin, but it was not reported by the Finance Committee, although it was discussed in the Senate itself. We have worked endlessly, hour after hour, again this year.

I want to report that we had in our committee this year perhaps the highest level of attendance, and interest, on the part of the committee members that I can recall on any subject matter that we have had in the Committee on Ways and Means. Every single member of the committee has made a contribution not only to the other titles of the bill but to this title which is in controversy. I feel a great pride and a great degree of honor just to have worked with the members of this very fine group and I take as much pride in the final product of our primary efforts, in title IV of H.R. 1, as I have taken in any bill that I have ever had the privilege of having my name affixed to—mark that down—there is no doubt in my mind about it.

The present program would be your preference, I assume, if you vote to strike the provisions of H.R. 1. That is the only way I can figure it out, because for the life of me, I do not know how we can come back any time soon or even within this Congress with any other approach to the restructuring and reforming of the welfare system, than that which we have in this present bill. So I must take it then, that those of you who would vote to strike title IV from the bill, feel that this present chaotic mess, as it is characterized by people in welfare as well as by people who pay the cost of it, is preferable to what we have in the bill.

Now we have looked at this present program. I cannot find much good in it to bring to your attention. I can find a whole lot of fault in it. Let me tell you just a few things that we found, as we looked into the 54 separate jurisdictions

which handle that which we call the welfare program:

First. We found a lack of—and actually I should say—a large and growing lack of confidence on the part of the tax-paying public that assistance goes only to those who need it and does not go to those who are indolent or ineligible.

Second. We found understandable bitterness from those who must depend for help upon a system that in too many cases extracts self-respect as the price of its benefits.

Third. We found hopelessness from those who have been trapped in a life on the dole. Talk about guaranteed income—guaranteed income in the form of a dole to remain in idleness, the very worst thing that anybody could conceive to do to a poor human being who is there largely because of lack of training, lack of inspiration, or lack of something else.

Fourth. We found contempt from those who all too easily obtained undeserved benefits from an antiquated, unstable, and lax welfare bureaucracy.

I had during the course of the executive sessions of the committee this year the most startling information I think I have ever had presented to me about the ease with which one can get on welfare and the difficulty that an individual had in getting off. He found himself in some financial straits after having been a candidate for Congress in the 1970 election.

Now, we can understand a person getting into some financial difficulty after running a political campaign. His wife suggested that possibly they might apply for welfare temporarily. He had no job. He had a wife and three or four children.

He went to the welfare office and the next day he was on. He advised me that nothing particularly was asked him about any assets, or much of anything else, just that he owed some money, just that he had no job, just that at that particular time he had no income.

That is the type of lax welfare bureaucracy that exists and is handling our program in some of the 54 jurisdictions—not in all, but in some.

Fifth. We found a crazy-quilt pattern of benefits and eligibility requirements that makes little sense in a highly industrialized and a highly mobile society.

Sixth. We found incentives for more and more welfare, and less and less work. But the most serious thing of all we found was that there is very definite incentive for family disintegration.

The effects of these factors can be measured by the geometrically increasing costs and caseloads in the 1960's. From the beginning of 1960 to the end of 1969 the AFDC rolls were increased by 4.4 million people, a 147-percent increase. The total cost of the program more than tripled, from \$1 billion in 1960 to about \$3.5 billion at the close of the decade of the 1960's.

If the situation in welfare was alarming and in a state of crisis at the beginning of January 1970, the AFDC program is now completely, totally, out of control. The January 1971 expenditures for aid to families with dependent chil-

dren were—and I am talking about for the month of January 1971—were \$482,423,000. That represents a 40.5-percent increase from January of 1969, just 1 year.

The number of AFDC recipients rose from 7.5 million in January 1970, to 9,773,000 in January 1971—2¼ million people on AFDC in just 1 year. That is an increase of almost one-third in just that 1 year.

There were over 10 million people on the AFDC rolls by March 1971 and the numbers of those on the rolls continued to climb in April and May.

All of you read a most disheartening report on the front page of the Washington Post this morning written by one of the very fine writers for the Los Angeles Times, Vincent J. Burke, who has made quite a study of this matter of welfare and where it possibly is taking us.

Also I call your attention, if you have not read it, to a very scholarly statement on the editorial page, also of the Washington Post, this morning by the Secretary of Health, Education, and Welfare, one of the very able leaders within the present administration. I believe it is interesting to know that not only this Secretary of Health, Education, and Welfare but also every living former Secretary of Health, Education, and Welfare supports the bill that comes from the Ways and Means Committee by a vote of 22 to 3 and that it has the unlimited and unqualified support of the President of the United States with respect to every facet contained in it.

The basis for all of this? Do my colleagues feel that I am wrong in saying that immediate and far-reaching attention is needed in the solution of a most serious problem?

Now, attempts to patch up the present system or to close this loophole or that loophole simply will not work. We have tried it in 1962, 1965, and 1967. It simply will not work, but will lead us to nothing but further disillusionment and recrimination.

The legislation which we are recommending is clearly needed now. This I want my friends on this side to hear. It is clearly needed now to prevent the collapse of a very basic function of government, in my opinion; namely, assisting its poorer citizens to a better life.

Look what is happening, look what has threatened to happen, in most of the legislative bodies of our States with respect to these ever-increasing costs and the possibility of ever-increasing cuts in State benefits established by members of State legislatures.

The bill which we are recommending, I think, is clearly needed now not only to prevent the collapse of this very basic governmental function but also because the bill would establish entirely new programs to carry out this basic function of government in a modern 20th-century way.

The new bill which we recommend, H.R. 1, title IV, will have the following main elements:

First. Let us get this. The separation

of needy families on the rolls and in the future who come on the rolls into two groups. The gentleman from Oregon, who will present some views of his own later on, had this as the cornerstone of his bill and in his thinking. We have taken his idea of separating these people into two groups; those with an employable adult in the family—that is, including families where the father is working full time, for low wages, even—and those without an eligible adult. And in each instance we provide appropriate help tailored to meet the need of each group, which is something badly missing within this hodgepodge of mess that we have today.

Second. We have incentives and requirements for work, for training, and for rehabilitation.

Third. We have a heavy investment in this bill in training, rehabilitation, job placement for poor families with expanded child care, manpower training, the use of all the programs that have been so carefully worked out and developed by the Committee on Education and Labor. We have public service employment and we have intensified monetarily our efforts with respect to family planning services.

Fourth. Uniform requirements for eligibility for cash assistance, susceptible of effective uniform administration, with specific limitations and with specific requirements.

Fifth. As a support for the entire program, an efficient, modern, national administrative mechanism designed to assure that only those who are eligible will receive benefits, while avoiding the unproductive redtape and delay that so many of our most needy citizens have encountered in their efforts in the past to obtain help.

SEPARATION OF POOR FAMILIES INTO TWO GROUPS

Let me talk a little bit about this business of separating these people into two groups.

All eligible families, as I have said, would be divided, under the bill by law, into two groups under separate programs tailored to meet each particular group's needs and requirements.

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

Mr. MILLS. Mr. Chairman, I yield myself 10 additional minutes.

Families with an adult available for employment under the terms of the bill would be enrolled in the opportunities for families program that would be administered not by the Department of Health, Education, and Welfare, not by welfare, but by the Department of Labor—the Labor Department. The Secretary of Labor will be furnished the necessary authority and funds to enable him to carry out his responsibility to help families into rehabilitation but, and more important, into self-support and self-respect. All other families, including those where an adult is incapacitated or where there is no other qualified employable adult within the family, would be enrolled in the family assistance plan which the President initially recommended and

which was the principal part of the plan in the bill that we passed last year.

The Secretary of Health, Education, and Welfare would be responsible for this program, including arrangements for vocational rehabilitation service to all of the incapacitated family members under his jurisdiction.

How does this group break down? About 2.6 million families—I am not talking about recipients now but 2.6 million families—would enter in the opportunities for families program and about 1.4 million families would be in the family assistance plan in the first full year of its operation.

Under present law the low-income family headed by the father is not eligible for AFDC if he is working full time and in 26 States even if he is unemployed. The family headed by a female—and this is quite a contradiction—is eligible whether she is working full time, part time, or not at all. This anomaly is not only inequitable on its face, but it leads to severe economic pressures for a father to leave his family and go elsewhere. He finds himself in the untenable position of being able to assure that his wife and children are properly fed and clothed only if he leaves them. Think of it. Only if he leaves them. It is not unlikely that this situation is related to the fact that female-headed families are increasing three times faster than the population generally—think of it—three times faster than in the population generally. These incentives are, of course, exactly contrary to what I and I think the majority certainly of my own Ways and Means Committee believe to be in good public policy. I am sure that the House would agree with me that any program that puts an incentive upon a father to walk away and leave his family and his children in order to assure that they get something to eat is not a program that has in it equity or good public policy.

Clearly, Mr. Chairman, the incentives should be in the direction of keeping the father with his family in order that he too may have the opportunity of supporting them.

Since male-headed families may be brought under the new program, proper incentives and controls should be introduced into the system and an eventual reduction in the rate of family breakup can surely be expected to result.

INCENTIVES AND REQUIREMENTS FOR WORK, TRAINING, AND REHABILITATION

The new plan would substitute specific rules to determine who must register for work or training; whereas, at the present time we have a haphazard system of the existing law under which each State decides who is appropriate for referral to registration.

Under the bill any member of an eligible family who did not meet specific criteria would be considered available for employment and would have to register with the Secretary of Labor for work or training. Any person who would not register or take work or training as required would subject his family to a penalty of \$800 per year in reduction in

benefits. Every person taking training would receive at least \$30 per month as an additional incentive to stay in the training program. Thus, the monetary difference between refusing or taking training would be \$1,160 a year. We think that is some inducement to keep people in training and at work when work is provided.

Now, the same penalties and the determinations would apply to people, of course, who are offered vocational rehabilitation services.

As an incentive for work the bill says we will forget for purposes of these benefits and not consider this amount of earned income—\$720 a year, plus an additional one-third of all one earns in excess of that \$720.

INCREASED INVESTMENT IN MANPOWER TRAINING, REHABILITATION, CHILD CARE, PUBLIC SERVICE EMPLOYMENT, AND FAMILY PLANNING SERVICES

Now, this new approach to welfare in using a variety of means to get people into work and self-support will be of great benefit.

We are taking the opportunity of injecting into this program new concepts and new ideas, all of which are supposed to induce people to get out and help themselves.

What is this program best described as being? A program of the Government to help this individual to help himself. Compare that concept, if you will, with the existing program of welfare where in one State we now have the fourth generation in the same family living just as the first generation did without any responsibility whatsoever, except to go get a check or to open a letter with a check in it. Think of it.

Now, in order to induce these people to participate, we have done more than merely stimulating their desires by making money available to them.

This program is one of the most far-reaching programs in rendering services that are required when people are called upon to undertake to help themselves.

Next, Mr. Chairman, let us talk about the parts of the programs. The gentleman from Alabama (Mr. ANDREWS) raised a question about the cost and I want to break it down for the gentleman. Remember, in total, this is a \$5.5 billion program about which we are talking.

Now let us look at child care. The bill provides \$700 million for services, not cash payments to these people, but child care services that must be available if a mother with small children is required to work or take training. She will not be required to do either one, and walk off and leave her children without knowing that they are in somebody's care. But we have to pay a lot for that—\$700 million plus \$50 million for construction of facilities if necessary. That is the equivalent of more than 875,000 child-care slots.

Another facet of the programs is public service employment for 200,000 jobs—call them whatever you want to, projects that have to be developed by some level of the government or some

nonprofit institution. Public service jobs, \$800 million.

That is a billion and a half already. That is how much is required to make certain that there are 200,000 jobs slots for these people.

Manpower training and placement activities, \$540 million, which is equivalent to 412,000 slots in addition to the 187,000 now authorized. This includes 75,000 slots for upgrading the jobs of those now working in low-pay jobs.

Then there are others—\$100 million or more for some additional services such as minor medical services, transportation need, and so on.

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

Mr. MILLS. Mr. Chairman, I do not wish to go much further, but allow me to yield myself another 10 additional minutes.

HELP FOR THE POOREST OF THE POOR

Mr. Chairman, title IV of the bill goes a long way in reducing the disparity that presently exists in welfare standards among the 54 jurisdictions that now determine those standards. Today, there are 22 States in which a family of four with no other income receives less—and in many of them, far less—than \$2,400 a year assistance. Payments for a family of four in one State are only \$60 a month, and most of them are black. Under title IV no such family would receive less than \$2,400 a year.

Now, I have not heard of a single Member who suggests that a really destitute family of four should be able to get by on less than \$2,400 a year to buy the essentials of life, no matter where in this country that family happens to live.

Title IV concentrates on bringing help to the poorest of the poor, bringing the lowest payment levels up to the minimum Federal standard.

HELP FOR CHILDREN

We are thinking in terms, Mr. Chairman, of bettering the lives of children. Now we have about 7 percent of the total child population of the United States subjected—yes, I say subjected—to that type of life that one must have under the present welfare system. Think of it, 7 percent. But do you know that in the next 5 years the Department estimates on the basis of our existing programs that there will be close to 15 percent of your total child population on welfare? Now, that is doubling the rate of children under the program and more than doubling the cost. But the cost is not what is bothering me. What bothers me is the constant increase in the number of children in the United States that we are allowing to be subjected to the welfare way of life.

What is it doing to these children? Is it strengthening their incentive? Is it giving them a greater incentive and a greater inducement? To me it is just doing the reverse—it is destroying that innate native-born fiber that they come to this earth with.

Is that the kind of population we want to continue to encourage to grow? Not

me—I want to create a situation wherein welfare is nothing more than a short stopping terminal place in the life of people who become unfortunate enough to need it. But not a continuation of life, for the remainder of their days here—and for their children—and for their grandchildren. Nobody ever gets anywhere in the world through somebody giving him something all the time. The only way in the world that these people will ever get out of this vicious cycle is for us to do what we have been doing since the beginning of this great Republic, since the beginning of this great Nation of ours. By lending the hand of those who have—either individually or through the Government—downward to grasp the hand of the fellow below. By giving that fellow the strength and the financial help he needs to pull him up to help himself to a greater life and to a more abundant life and to know that dignity that comes, as all of us know, at the end of the day when we feel that we have rendered a service to our people, to our country, and to our God.

As I said, we have been very much aware in our deliberations of the fact that we are dealing in this bill with the welfare and care of millions and millions of America's children. We have included many provisions in title IV of the bill designed to protect children and promote their well-being in addition to the basic provisions which give more money to poor families with children.

Title IV has provisions requiring the administrators of the programs to notify the proper authorities when possible abuse or neglect of children is found.

Title IV has a provision which permits schoolchildren to keep their earnings from their afterschool jobs. This will see to it that poor children will receive the rewards from their work which children in more fortunate families receive.

Title IV has a provision which will cover families where the only children are those between age 18 and 22 attending school full time. This provision is needed to help children in poor families to secure a good education.

Title IV contains a provision which will disregard one-third of an absent father's support payments so that the child will be better off from those payments.

ADMINISTRATIVE ARRANGEMENTS AND SAFEGUARDS

The committee has become convinced that the major key to the success of a program to assist the poor of the Nation is an effective, efficient administrative mechanism which has both the confidence of the taxpaying public and the respect and cooperation of those who apply for its benefits. We have, therefore, directed a great deal of attention both to the specific provisions in the bill which would create such an administrative mechanism and to working out with the Secretary of Labor and the Secretary of Health, Education, and Welfare the system of administration which will characterize the proposed program in its day-to-day operations.

We believe that maintaining the integ-

city of the program requires that eligibility for benefits under this program must be established by suitable and convincing evidentiary materials, such as birth certificates. There will be no simple declaration process. Moreover, continuing eligibility must be shown by timely income reporting with failure to do so resulting in suspension of benefits and specific dollar penalties. Social security and income tax records would be used to verify the accuracy of earnings reports and to avoid duplicate payments. A requirement for reapplication every 2 years emphasizes our intent that receipt of benefits should be a temporary status and not a way of life.

The bill also provides that a father or mother who deserts his or her family will be responsible to the Federal Government for every penny paid to the family. If the debt cannot be collected in any other way, the Government will withhold all Federal payments of any sort to the deserting parent until the debt is paid. In addition, the bill would make it a Federal crime for an individual to cross a State line in order to escape the financial responsibility to support his family.

IMMEDIATE STEPS TO CORRECT PRESENT PROGRAM

The bill would make the new programs effective just as soon as it is possible to put them into operation. That date is July 1, 1972, for the families covered under the present program and January 1, 1973, for families with a fully employed father. However, we are well aware that the present program is in dire need of immediate stopgap measures even during that short period of time. Therefore, the bill contains several provisions to deal with certain problems in the present program. These changes would support the efforts of several of the States which have come to see that prompt action is needed at that level of government.

SUMMARY OF FAMILY PROGRAMS

Every possible step will be taken under the new programs to assure that only those eligible for the benefits will get them. We are convinced, both on the basis of specific studies and on the testimony of witnesses before the committee, that there are many thousands of people now on the AFDC rolls who do not belong there. There is evidence that there are people on welfare who do not report their earnings. There is evidence that fathers have only seemed to have separated from their families, while actually remaining a part of the family, and providing support to the family which the welfare office never learns about. Under the provisions of the bill, such practices would be eliminated.

ASSISTANCE TO THE AGED, BLIND, AND DISABLED

The problems which we found with the family welfare programs exist, but to a much lesser degree, in the three separate programs we have now which provide assistance to the aged, the blind, and the disabled. These adult assistance programs, however—characterized as they are by smaller numbers of people and more nearly static beneficiary rolls—may be more susceptible to rapid and efficient reform than the family programs. Con-

tributory social insurance and other sources of income—private pensions, annuities, and other income from assets—are sufficient to keep the total income of the majority of the aged, blind, and disabled from falling below the poverty line. It is our belief that, to the extent possible, contributory social insurance should continue to be relied on as the basic means of replacing earnings that have been lost as a result of old age, disability, or blindness. But some people who because of age, disability, or blindness are not able to support themselves through work, may receive relatively small social security benefits. Contributory social insurance, therefore, must be complemented by an effective assistance program.

The committee, therefore, proposes a new assistance program for needy aged, blind, and disabled people, administered and financed by the Federal Government. Thus, the bill would repeal the existing title I—old-age assistance—title X—aid to the blind—and title XIV—aid to the permanently and totally disabled—of the Social Security Act. In place of these titles, the bill would substitute a new title XX creating a single national program to provide cash assistance to the needy aged, blind and disabled. Under the new Federal program, uniform eligibility requirements and uniform benefit payments would replace the multiplicity of requirements and benefit payments under the existing State-operated programs. The new program has been designed with a view toward providing:

First, an income source for the aged, blind, and disabled whose income and resources are below a specified level;

Second, incentives and opportunities for those able to work or to be rehabilitated that will enable them to escape from their dependent situations; and

Third, an efficient and economical method of providing this assistance through the Social Security Administration.

The benefit standards will be \$130 for a single person and \$195 for a married couple beginning July 1, 1972. On July 1, 1973, the single person standard would go up to \$140 and the couple standard to \$200. On July 1, 1974, the standard for a single person would go up to \$150.

FINANCING ASSISTANCE

I would like to detail for the Members the fiscal impact of the assistance programs in the bill. In the first year of the new assistance programs, \$5.5 billion more in Federal money would be spent than would be spent under present law. Of these new costs, \$1.6 billion represents fiscal relief for State and local governments and, therefore, fiscal relief for State and local taxpayers. The direct increased cost of these programs to the taxpayer is actually, therefore, \$3.9 billion. Of this \$3.9 billion, \$1.5 billion, or 38 percent, represents additional income for aged, blind, and disabled needy people. Another \$1.7 billion, or 44 percent, of the \$3.9 billion represents an increased investment in assisting poor families to become economically independent. This

additional money will purchase increased amounts of child care, job training, public service jobs, family planning services, and supportive services for families taking training or work. Thus, \$0.7 billion, or about one-fifth of the \$3.9 billion, represents additional income for low-income families, primarily poor families where the father is working full time at low wages.

I wanted to bring out these figures very clearly so that the Members of the House can see directly the fiscal effects of the public assistance provisions in H.R. 1.

Incidentally, Mr. Chairman, I should point out to the Members that these figures I have presented would not apply if title IV is removed from the bill. With title IV, all States would save funds in fiscal year 1973. Without title IV, States would have increased costs in fiscal year 1973 and all but one or two States would have their savings substantially reduced. The amount of fiscal relief taking all the States together would disappear. Some States would save some money, others would lose money—the losses would exceed the gains by about \$100 million.

As I indicated in opening my statement, Mr. Chairman, the provisions of the bill in addition to those relating to the proposed new assistance programs are important enough by themselves to be called landmark legislation.

Since I have used so much time discussing the assistance provisions, I will mention only the highlights concerning the remaining provisions of the bill and request unanimous consent to have inserted in the RECORD at the end of my remarks a summary of all of the major provisions of the bill.

SOCIAL SECURITY CASH BENEFITS

The bill has many provisions affecting cash social security benefits which the committee believes are most urgently needed. The bill would provide social security beneficiaries with a 5-percent increase in benefits beginning with payments for June 1972 and a guarantee that future inflationary changes in the prices of goods and services will not erode the purchasing power of their benefits. In addition, the bill would provide substantial improvements in other cash provisions of the law. The more important of these are:

First. The annual amount of earnings people can have without affecting benefits will be increased from \$1,680 to \$2,000.

Second. Benefits to widows who get benefits at age 65 or later will be increased from 8½ percent to 100 percent of the husband's benefit.

Third. A special minimum benefit to help the long-term lowpaid worker will be provided.

Fourth. The age upon which benefits are computed for men would be reduced from age 65 to 62, the age which is now used for women.

Fifth. People who delay retirement beyond age 65 would get higher benefits.

Sixth. The waiting period in disability would be decreased from 6 to 5 months.

Seventh. The earnings of a married couple could be combined if it was to their advantage.

MEDICARE AND MEDICAID PROVISIONS

The bill provides for several major changes in the medicare program which will directly affect the protection afforded beneficiaries.

Medicare coverage would be broadened to include about 1.5 million persons entitled to disability benefits under the social security and railroad retirement programs, after they have been entitled to disability benefits for at least 2 years.

Medicare hospital insurance would be made available, on a voluntary basis, to about 300,000 aged people who are not now insured for such protection. Those who enroll would pay the full cost for this protection—\$31 a month at the beginning.

Benefits would be payable for physical therapy services furnished by a qualified independently practicing physical therapist.

Coverage would be extended to hospital, physician, and ambulance services furnished to beneficiaries living in border areas of the United States who require care in a foreign hospital that is closer to the beneficiary's residence than a U.S. hospital.

The lifetime reserve of hospital days for all beneficiaries would be increased from 60 to 120 days.

The bill also includes a number of provisions designed to increase the operating effectiveness of the medicare and medicaid programs.

In addition, the bill includes several other medicare provisions which, taken as a whole, provide incentives to limit program costs. Thus, the medicare part B deductible, currently \$50 a year, would be increased to \$60 in 1972; coinsurance equal to one-eighth of the hospital deductible—now \$60—would be applied beginning with the 31st day and continuing through the 60th day; the Secretary would be authorized to require a premium, related to income, for the medically indigent under a State medicaid program; families eligible for cash assistance would be required to pay a deductible under medicaid up to one-third of the family's earnings above \$720; and disincentives would be provided to discourage prolonged stays in institutions.

In order to minimize the financial burden that the part B premium may come to represent in the future, the bill provides that the premium will be frozen at the July 1971 level of \$5.60 and will be increased in the future only as cash benefits are raised.

INCOME TAX CHANGES

The income tax changes in the bill are closely associated with the social security and welfare provisions. One of the income tax changes liberalizes the deduction for child-care expenses where there is a working mother. This will be of primary benefit to those in the relatively low income levels and is in line with other provisions of this bill which provide for child-care services and encour-

age those receiving welfare payments to obtain employment.

The second income tax change also is closely associated with the social security provisions. Social security benefit payments, upon receipt by the individual, are free of income tax, and in the past Congress has considered it appropriate to also exempt from income tax a comparable amount of income received by the elderly to the extent they do not receive social security payments. However, the provision—the retirement income credit—in existing law which is designed to achieve this result has not been updated with the changes in the social security payments in recent years. Moreover, the provision has proved to be so complex in operation that many who should be eligible for the retirement income credit have not used it. We have revised the retirement income credit of present law to significantly raise the levels of income on which the credit is based and also to substantially simplify the method of computing the credit.

CONCLUSION

Mr. Chairman, as I said at the opening of my statement, H.R. 1 is a monumental bill. It is a sound, workable bill that deserves the support of every Member of this body. I urge its passage in its entirety and without qualification or reservation of any kind.

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

Mr. MILLS of Arkansas. I yield to the gentleman.

Mr. CONYERS. I am very much interested in knowing how it is that you intend through the proposed legislation to make the stop on the welfare a short one rather than a way of life? That is to say, what is there in the bill that is going to create the kind of economic situation where those on welfare can get off it?

Mr. MILLS of Arkansas. The billions of dollars that we have in the bill that will help those who need the help to help themselves through training.

Mr. CONYERS. Training for what?

Mr. MILLS of Arkansas. Training for jobs.

Mr. CONYERS. What jobs?

Mr. MILLS of Arkansas. For jobs that are available.

Mr. CONYERS. We know that it is a fact, may I say to my distinguished chairman, that in Detroit 26 percent of the working people are out of work.

Mr. MILLS of Arkansas. I understand.

Mr. CONYERS. Not to mention people on welfare who are out of work.

Mr. MILLS of Arkansas. I understand that the gentleman has a very difficult situation in Detroit. And there are similar areas elsewhere also, I will say to my friend. I think my colleague knows that the only way you can help anybody is to try to help him to help himself. That is what we have done in this bill.

Now because we have the rate of employment that we presently have, we undertake in the first year the creation of 200,000 jobs. There are other jobs in programs that have been passed by the

Congress, as reported from the Committee on Education and Labor, which will also be available here. But we are making these jobs available—as many as we can make available in the first year. And if it is necessary, we will make other jobs available at public expense. We are not going to let these people go down through training to the end of the road and then suffer that humiliating experience and disappointment of work not being there for them. But we are going to expect them to take that job that is there, and if they do not, they are going to be penalized in the process.

I think my friend wants them to have work just as much as I do. I have never talked to anybody on welfare in my State who has not said to me, "Congressman, the greatest thing that you can do for me is to give me some opportunity through training and work to help myself to help my family." And we have done it in my State in many instances and the success has been surprising. When you train these people and give them that opportunity to go to work in a hospital or in a nursing home or anywhere else where their training qualifies them to work they will take the work. And we have done it at about a cost of about \$40 a month in many instances for 5 or 6 months in Little Rock. It can be done—we have demonstrated it. We have demonstrated it in other cities. And since it can be done, why do we quibble about these points? Why do we not just get started with the job? That is the important thing—get it on the track and get underway. If it will not work, we can come back and provide some other types of incentives. Because incentives have to be present for anybody and everybody. If they have lost that incentive for training through being on the dole, as some tend to do, we need to give them additional incentives.

Mr. CONYERS. Mr. Chairman, will the distinguished chairman yield?

Mr. MILLS of Arkansas. I am glad to yield to my friend from Michigan.

Mr. CONYERS. I take it, Mr. Chairman, that you are well aware, of course, that of the millions of American citizens who are on welfare, a great percentage of them are unable to work no matter how much work is provided.

Mr. MILLS of Arkansas. We understand that. Anybody who is not qualified to work will not be offered work. Let me make it clear. If in Detroit the condition remains as it is today, we are not going to throw the type of person to whom the gentleman refers off of this program—until he is provided with a job and refuses to take that job. If there is no job available, this bill would not change his circumstance, because there is nothing to which the Secretary of Labor could assign him or refer him.

If the man needs training, it is well if he would take training, even though there may not be an immediate job, because at the time he would get through with his training we would hope there would be jobs. But if there are not, and the mayor of Detroit needs to do work

on any facility of the city or the Government wants to do something, all it has to do is to set up a project, and we fund that project by providing him with the manpower to do that work.

Some way or other we must assist these people, to encourage and to inculcate in them work habits, if they have been without work habits for a long period of time.

Mr. CONYERS. Of course, that is the implication that I most, in fairness to the chairman, resent.

Mr. MILLS of Arkansas. In what way?

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

Mr. MILLS of Arkansas. I yield myself 2 additional minutes. I do not understand what the gentleman is saying. Do you mean to tell me that a fellow who is a third generation of a family on welfare, his mother or father did not work, his grandfather and grandmother did not work, and they all were on welfare, could have very much work habit?

Mr. CONYERS. I am not sure if I can tell you that there would be insistence on work if made available to him, and that is precisely the point that bothers me.

Mr. MILLS of Arkansas. That is the point that bothers me. That is why this bill will see to it that there is work. I think my friend makes a very serious mistake if he feels that people on welfare do not want to change. I know, of course, my friend Dr. Wiley does not, however. I know he does not.

I want to get people to work. But just between us, I am sick and tired of his arguments. He made a lengthy analysis of this bill and argues against the bill. He is accurate—and I am talking about complete accuracy—in very few of those arguments. I have gone over them in detail. Five of them are not even in relation to title IV, but have to do with medicaid and medicare.

There are several of his points about title IV that get down to a question of judgment: Should it be \$2,400 or \$6,500? Those are matters of judgment and fiscal responsibility, I might add.

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

Mr. MILLS of Arkansas. Mr. Chairman, I yield myself an additional 2 minutes so that I may yield to the gentleman from Missouri.

Mr. ICHORD. I thank the gentleman for yielding. I have listened very intently to the distinguished chairman of the committee, because I did have many doubts about the advisability of the program the gentleman recommends. There is one area which the gentleman did not cover, and I would like to ask a question in that regard. Who under the program will determine the eligibility for assistance? I wondered what would happen to the great bureaucracy that has been developed on the State level.

Mr. MILLS of Arkansas. There will be functions the State will be called upon to perform, primarily those so-called social services. But the eligibility is

determined by Federal law, the entire cash program, the training program, work program—all of that is financed and administered entirely by the Federal Government.

The payment is a Federal payment in its entirety in these amounts which are in the bill.

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

Mr. MILLS of Arkansas. Mr. Chairman, I yield myself 3 additional minutes.

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

Mr. MILLS of Arkansas. I yield to the gentleman from Missouri.

Mr. ICHORD. They will be Federal employees. It is impossible to lay down statutes or even regulations governing each specific case as to whether an individual would be eligible. Somewhere along the line some judgment or discretion is going to have to be used.

Mr. MILLS of Arkansas. That is true.

The question will arise: Is this individual incapacitated? That is a medical question. The individual will be sent to a doctor to examine him, who will determine if he has such incapacity as not to be defined as an employable adult within the household. In most States the vocational rehabilitation agency will make determinations of disability just as they do in the social security program.

If it is a question of being 65 years of age, we say that person will not have to be referred.

If the person is needed in the home because of temporary or permanent illness or incapacity of another member, we will not require that person, so long as that condition prevails, to go out to work or training.

Mr. ICHORD. That judgment will be made by Federal officials?

Mr. MILLS of Arkansas. All these will be Federal official decisions.

We are told that with regard to the adult program, which will become the jurisdiction of the Social Security Administration, relatively little additional personnel will be needed by Social Security nationwide to handle that program. They tell us in the Department of Labor and in HEW that they will administer these two programs of opportunities for families and the family assistance program with anywhere from 15 to 25 percent fewer numbers than presently administer the same programs at the State and county levels.

Mr. ICHORD. What about the 200,000 public service jobs, which I believe is a good feature of the bill? Will they be established by the States? What role will the State have in respect to the public service jobs?

Mr. MILLS of Arkansas. The project job will be approved by the Department of Labor. The mayor of the city within the gentleman's district could say, "We have some land we would like to develop and to make into a city park," for example. He would then get in touch with the proper people under the Secretary of Labor. The Secretary of Labor would look

to see whether or not that project meets the requirements of the bill. If it did he would approve the work by so many people who have been requested to work on that project.

The Federal Government would pay their salaries while doing it, just like the Federal Government paid the salaries of people who worked on WPA in the gentleman's youth.

Mr. O'NEILL. Mr. Chairman, will the gentleman yield?

Mr. MILLS of Arkansas. I yield to the gentleman from Massachusetts.

Mr. O'NEILL. Mr. Chairman, before the Rules Committee the other day you said you would be happy to explain the bill to the Members, which you are doing. In view of that fact, we sent a whip notice out urging Members to be on the floor, saying the gentleman would be available to answer all questions. I wish the gentleman would take more time.

Mr. MILLS of Arkansas. I assure my friend I will not refuse to yield to any Member who wants me to yield.

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

Mr. MILLS of Arkansas. Mr. Chairman, I yield myself 2 additional minutes.

Mr. COLLINS of Illinois. Mr. Chairman, will the gentleman yield?

Mr. MILLS of Arkansas. I yield to the gentleman from Illinois.

Mr. COLLINS of Illinois. In instances where States are paying more than \$2,400 for a family of four, is there any provision in this bill to guarantee that in those States people will maintain the same amount?

Mr. MILLS of Arkansas. There is nothing that mandates the State to do that. But let me call to the attention of my friend from Illinois the fact that there is nothing in existing law that mandates the State to maintain next year the benefit the State sets this year. There is nothing in the existing law that mandates the State against reducing those benefits.

But there is a savings for all States in this bill. Even if the State wants its benefits to be maintained, if the State will turn over the administration of the program to us we will pay the benefit that that State has in effect plus the amount that that individual would get on top of that from the food stamp program; therefore, we would pay a higher cash benefit without the State of Illinois or any other State ever having to be out more in the future than that State spends for all of its programs of welfare in the calendar year 1971.

I was very anxious that we do this, because it seems only fair to the States. I am glad that you have brought this point up. It is only fair to the States.

If we administer the program, it will work and people move off faster than they move on, but if it does not work that way, however, the States should not then be responsible for the increased costs inflicted on them by a program which is federally administered.

My friend, the gentleman from Wis-

consin, offered a motion in the committee to provide for this whole harmless provision involving about 19 States that have these higher levels of benefits than we are providing here.

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

Mr. MILLS of Arkansas. Mr. Chairman, I yield myself 5 additional minutes.

Let me go on just to answer this question.

I have been up there in your State. I had an invitation that I accepted to speak to a joint session of your legislature. I never met a more intelligent group of men, a group of men that I felt were any more interested in the problems of human beings than I met with out there. Your State has done a good job compared to all of the States in proportion to what all of the States have done in trying to take care of the problems of the poor. I cannot conceive of the members that I faced that day in your legislature moving backward from where they have voluntarily gone to in this level of benefits. I think my friend from Illinois would share that view with me.

Mr. COLLINS of Illinois. Mr. Chairman, will the gentleman yield further?

Mr. MILLS of Arkansas. I yield to the gentleman.

Mr. COLLINS of Illinois. May I ask for this further clarification by posing an example. Let us say that in the State of Illinois a family of four receives \$2,800. Under this proposed legislation then the ceiling would be \$2,400?

Mr. MILLS of Arkansas. No. The floor.

Mr. COLLINS of Illinois. Pardon me. The floor would be \$2,400. Then, what would this bill provide for the persons who are receiving \$2,800?

Mr. MILLS of Arkansas. There is no mandate, as I say, to maintain that \$2,800. But let me show you what an inducement there is to maintain it. Today your State is putting up, let us say, \$1,400—50-50. Of that \$2,800 the Federal Government is putting up \$1,400. However, here we are going to say to the State of Illinois that we will continue to maintain your benefit of \$2,800 and we will put up \$2,400 and, in order to maintain that \$2,800, in place of putting into it \$1,400, your State merely has to put into that case \$400, and there you have the \$2,800. The State can save \$1,000 in that case, you see, because we have raised our ante from \$1,400 to \$2,400.

Now, if my friend will look on page 216 of the report, you will find a table there which sets forth the so-called State savings. These savings are after assumptions that the present levels of benefits will be maintained plus the cash equivalent to what is being received by these people through the food stamp plan. So the cash benefit payment for this family would be higher than the \$2,800. But, as you know, under the bill, those who receive the cash benefits are not eligible for the food stamp, also. We have bought out the food stamps, so we do not need to have both going to the same family.

Mr. WHITE. Mr. Chairman, will the chairman yield?

Mr. MILLS of Arkansas. I yield to the gentleman from Texas.

Mr. WHITE. I thank the chairman of the Committee on Ways and Means very much.

In addition to moving these applicants into public service jobs, I would be most interested in seeing them also moved into private industry or even possibly into a WPA-type job if no private industry or public service jobs were available.

Mr. MILLS of Arkansas. I will say to the gentleman from Texas that we will have to cross that road later. We hope to be able to create 200,000 jobs, or as many jobs as we can create in the first year and if the situation does not improve, in the next year your committee would be perfectly willing to hear suggestions from Members of Congress and others outside of the Congress as to how we possibly could proceed to get these people into the type jobs which the gentleman describes, if there are no private jobs available. Private jobs, however, are what we want them to have.

Mr. WHITE. Mr. Chairman, if the gentleman will yield further, the committee did consider the future possibility of this?

Mr. MILLS of Arkansas. We do not know how long we will have to run it. We wanted to start with 200,000 jobs because that is about as many as you can create and successfully administer in the first year. But if the situation worsens, then, perhaps, that figure would be greater, but we do not believe that to be the case at the present time.

I think we are trying to do a monumental service in their interest and in their behalf.

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

Mr. MILLS of Arkansas. I yield to the gentleman from South Dakota.

Mr. DENHOLM. Mr. Chairman, I want to compliment you on a very forceful and direct statement this afternoon.

I am wondering whether or not in your studies and evaluations and your efforts to reform this very complex problem what were some of the specific causes that precipitated the existing deplorable situation that we face today. Was it the fault of the local governments or lack of action on their part?

Mr. MILLS of Arkansas. No; I do not want to place this at the feet of the local and State people. I think in most instances these people who administer the program will say that, "We are told from Washington what to do and how to do it." I do not want to get into that, but you do have a situation wherein there is far more knowledge today in all areas of the United States—there is more knowledge being made available to people about what benefits are available within the States.

There is some degree of migration from one State to another where there are higher benefits in one State than the other. But there is no single matter that you can point to as the overall or major cause of this. However, let me tell the gentleman what I think is one of the

factors that has contributed to this as much as anything else. Before 1965, the Congress participated with the States to the extent of \$32 per child per month in the support of that child. Then everything above that was put into that child's assistance was at State expense. However, when we passed medicare and medicaid, we allowed the States to elect to use the medicaid formula for all welfare programs and the States immediately went to that formula. In other words, this was an opportunity for them to get their money back and get still more money from the Federal Government. Many changed from the formula then existing into the 50-50 formula, but it made it possible through their many programs to obtain this additional Federal money to establish levels of benefits that were higher, perhaps, than they maintained previously. The higher you get your benefit in many States the more people you make eligible for your program. So, it is a combination of matters which has brought it about. But the situation is at the point now where it is breaking the States and local governments and, if we do not reverse the trend, we will break the Federal Government.

Mr. DENHOLM. Could the gentleman tell me how many are on the welfare program at this time and what the estimate is as to the number that will be on it after the inauguration of this program as provided for under this bill?

Mr. MILLS of Arkansas. There is a very interesting article on the front page of the Washington Post this morning that says that the number of children and adults in March—AFDC beneficiaries—totalled 10,166,000. You add to that about 3 million adults who are on the program and you have a total of about 13 million recipients. That represents an increase in AFDC in the month of February of 224,000 nationwide, which means that it was going up into the neighborhood of 275,000, 280,000 or 285,000 in each of the 2 months of the last quarter.

So this thing has not stopped. It is not going to stop under the present arrangement, and it is going to become an ever-increasing burden. It is estimated in fiscal year 1972 that the total cost of all welfare including medicaid, to all levels of the Government in the President's budget will be in excess of \$20 billion. In 1969 fiscal year it was \$10 billion.

Mr. HUNGATE. Mr. Chairman, if the gentleman will yield further, it has been my understanding that more would qualify to be on welfare under this bill than under existing law. Is that correct?

Mr. MILLS of Arkansas. We do not know where they come from in the first place, on welfare. But they do come from the working poor. Any time the benefits paid in a State are greater than a man can earn in the way of income after taxes he is going to quit work and go on welfare, or at least most of them.

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

The gentleman from Arkansas has consumed 56 minutes.

Mr. MILLS of Arkansas. Mr. Chairman, I do not intend to take more than 1 hour

total time, so I will yield myself the remaining 4 minutes.

In further reply to the gentleman from Missouri, let me tell the gentleman that there is nothing fair—and I hope my friend, the gentleman from Wisconsin (Mr. BYRNES) will speak more on this tomorrow—but there is nothing fair about creating a situation where there is greater inducement for a person to be on welfare than having him continue to work. If you do not make arrangements to pay these people to continue to work, in 5 years most of them will be on this AFDC program. That is where we are getting them now. They are coming from jobs. They have not just suddenly been born, they are coming from jobs. They are not coming from charity, from agencies set up by the private sector to take care of the people, they are coming from jobs. Now, how can you say you are going to supplement the income of a person who is on welfare to go out and work without doing the same thing for a neighbor who is continuing to work? We would be doing an awful injustice in closing our door to these needs. So we do not know how many more will come on. And, if they do, then they have got to take training.

Mr. HUNGATE. Mr. Chairman, if the gentleman will yield further, I note the use of the term "father," and I assume that has to be a working father in the home?

Mr. MILLS of Arkansas. Certainly.

Mr. HUNGATE. It would not necessarily have to be a husband, or would it be a husband?

Mr. MILLS of Arkansas. It could be the husband, yes.

Mr. HUNGATE. Let us assume it is not. Mr. MILLS of Arkansas. You mean the father is a common-law father?

Mr. HUNGATE. That is the situation to which I refer, which might be in violation of a State law.

Mr. MILLS of Arkansas. How is he treated in the State of Missouri?

Mr. HUNGATE. Not very well.

Mr. MILLS of Arkansas. In my State he has the responsibility that he would have incurred had he married the woman.

Mr. HUNGATE. The point to which I am trying to speak is that he lived in the home under a common-law arrangement, but we do not recognize that any more, officially, and that would mean that they would be entitled to less payment in that home.

As I understand the bill, if we use the term "father," if he is willing to work then the legitimacy or illegitimacy of the offspring will not be relevant. In this case they have lived together for 15 years, and have had that many children.

Mr. MILLS of Arkansas. Please do not get me into this little technical point. Let me point out to the gentleman that we are going to take care of them under this bill as a family. Whatever he makes is going to be taken into consideration when you determine the family needs, not take him out of it. If he is in that family and is not working, then all I have to say is that father is going to have to

go to work, he is going to have to take training, and if there is a job available he is going to have to go to work, and he is going to have to support the children.

Mr. HUNGATE. If he is willing to work, his lack of marital status will not defeat the purpose.

Mr. MILLS of Arkansas. No, sir, because he has a commitment in that family.

Mrs. GREEN of Oregon. Mr. Chairman, will the gentleman yield?

Mr. MILLS of Arkansas. I yield to the gentlewoman from Oregon.

Mrs. GREEN of Oregon. Mr. Chairman, the gentleman has made reference to the public service employment bill voted out by the Committee on Education and Labor, which is now in conference with the Senate.

One of the bases of the controversy within the committee, and now between the committee and the Senate committee, is whether a nonprofit, private agency such as the Community Action Agency would be an eligible applicant for a contract for public service employment.

Now, my question has two parts:

First, in referring to the 200,000 jobs contained in the bill which the gentleman has described, and a provision which I heartily applaud, what kind of coordination would there be between this public employment of 200,000 jobs, and the 150,000 jobs that are provided for in the bill which this House approved 2 weeks ago?

And second, under the definition of H.R. 1, would a community action agency as a private nonprofit agency, be an eligible applicant for contracts?

Mr. MILLS of Arkansas. The answer to the second question is "yes, if the project was one which met all the conditions of the bill and was a true work and training program, not a project to find more people to go on welfare or get Medicaid." And the answer to your first question is complete coordination, because your job program goes to the Labor Department just as does our job program. We have a provision within this bill for the establishment of an Assistant Secretary who will have complete charge of this Opportunities for Families program and he is charged with the responsibility of seeing to it that all possible facilities of the agency are used in the promotion of this program.

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

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

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman from Arkansas yield himself another minute, since we are discussing this?

Mr. MILLS of Arkansas. I cannot yield myself more than an hour, so, Mr. Chairman, I will ask unanimous consent to proceed for 5 additional minutes, only for the purpose of answering questions.

The CHAIRMAN. To whom shall the time be charged?

Mr. BYRNES of Wisconsin. Mr. Chair-

man, I yield 5 minutes to the gentleman from Arkansas (Mr. MILLS).

The CHAIRMAN. The gentleman from Arkansas (Mr. MILLS) is recognized for 5 minutes.

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

Mr. MILLS of Arkansas. I yield to the gentleman.

Mr. BYRNES of Wisconsin. I wish my colleague would follow me on this, because I think there may be some misunderstanding about this. As to the public service jobs, that is of a little different nature than the jobs created under the legislation passed by the House. These are more in the nature of training jobs, and we only pay wages or salary at 100 percent for the first year. And if the same individual is working in this job the second year, then the Federal Government would only assume the responsibility of 75 percent of the cost, and the next year only 50 percent. The idea being that there should be a turnover. This is for training these people and not to continue working for the public service organization, but be available in the general labor market.

Mr. MILLS of Arkansas. By that time the gentleman is saying that we hope the man will become sufficiently trained, where he is worth retaining on the job, that the city or the other level of government will want to keep him.

Mr. BYRNES of Wisconsin. I think that is important, Mr. Chairman, and that is the reason I want to point that out since the gentlewoman raised this point, that there is a distinction in the type of job we are creating here in these 200,000 jobs. That is supposed to be for these particular people, people who basically need work or training in addition to a job.

Mr. MILLS of Arkansas. The point I am trying to make, and I think the gentleman from Wisconsin (Mr. BYRNES), will agree with this, is that the programs the gentlewoman's committee envisions in their bill can be used for the purpose of putting these people to work.

Mr. BYRNES of Wisconsin. There is no question about that.

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

Mr. MILLS of Arkansas. I yield to the gentleman.

Mr. MITCHELL. I know the hour is late, but would the gentleman from Arkansas state whether the various Governors of the States have acknowledged their willingness to convert what had been food stamps into cash supplements?

For example, as Governor Reagan has or my own Governor of the State of Maryland and the Governor of New York—have Governors given any indication at all as to their willingness to convert the former food stamp allotments into cash supplements.

Mr. MILLS of Arkansas. I have talked to a number of Governors—and without naming them specifically, which I do not like to do—but they have told me that on the basis of what we have done their legislatures and the Gov-

ernors would maintain these benefit levels and take it to such a point as to extend the benefits to replace the loss of food stamps.

I talked personally with your Governor about this program, on one occasion, and your Governor, I think, will tell you himself that he is for the program.

Mr. MITCHELL. Yes; I know—not necessarily me, but everyone realizes that.

Mr. MILLS of Arkansas. But he has told you, has he not?

Mr. MITCHELL. Yes.

But could the gentleman give me some indication percentagewise as to the number of Governors who have so indicated that kind of positive and affirmative response?

Mr. MILLS of Arkansas. I have not talked to anything like enough of them, because there have been occasions when—may I ask my colleague, the gentleman from Wisconsin (Mr. BYRNES), how many there might have been at one time—probably 10 or 11 or 12—and they were all interested in us absorbing more and more of the cost of welfare on the ground that it was the mushrooming the cost of the welfare that has been one of the things that is bringing the State government to the edge of bankruptcy. They were going with us on a program that did fix their costs and terminate this continuing year-by-year increase—which this bill does.

Mr. MITCHELL. I thank the gentleman.

Mr. MILLS of Arkansas. I do not think there is any problem in your State to maintain levels of benefits.

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

Mr. MILLS of Arkansas. I am glad to yield to the gentleman from South Dakota.

Mr. ABOUREZK. Section 2173 makes it optional for the Secretary of Health, Education, and Welfare and the Secretary of Labor to contract for the administration. As I read the section, there is no mandate. Does the gentleman know whether the Department of Health, Education, and Welfare will administer the program in all 50 States?

Mr. MILLS of Arkansas. No; we do not know yet how many States will turn over administration of the supplementary payments to the Federal Government. We have an inducement in the bill to get all our Governors to agree to let us administer the program, but if some Governor says, "I am not going to let you administer the program; I am going to stay with State administration," then that would be the result. But we would not be holding his State harmless with respect to additional costs either. We would not be telling him, "We will maintain your level of benefits without your incurring any additional costs." If he will contract with us, we will pay all the costs of administration. I think that is sufficient inducement to every Governor to turn over the program in his State for the cash welfare program.

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

Mr. MILLS or Arkansas. Mr. Chairman, I ask unanimous consent that I may yield myself an additional 5 minutes in order to answer questions.

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

There was no objection.

The CHAIRMAN. The gentleman from Arkansas is recognized for 5 minutes.

Mr. MILLS of Arkansas. I yield further to the gentleman from South Dakota.

Mr. ABOUREZK. I thank the gentleman. If a State decides to go with this program, would the Federal Government absolutely administer, or would it be possible for them to contract it?

Mr. MILLS of Arkansas. No; the Federal Government would administer both the opportunities for family program and the family assistance program—Labor the first and HEW the second.

Mr. ABOUREZK. And there is no alternative there?

Mr. MILLS of Arkansas. No, not after the first year, when the States could administer the programs under contracts with the Federal agencies.

Mrs. ABZUG. Mr. Chairman, will the gentleman yield?

Mr. MILLS of Arkansas. I am glad to yield to the gentlewoman from New York.

Mrs. ABZUG. As I understand the bill, there is a provision for mothers of children age 3 or over to take job training or employment.

Mr. MILLS of Arkansas. That is after 2 years. For the first 2 years she would not be required to register if her youngest child was under age 6. We would drop to age 3 in the last 3 years of the program.

Mrs. ABZUG. Can the gentleman tell me whether there are any protections written into the bill with respect to the availability of day-care facilities.

Mr. MILLS of Arkansas. Yes, she will not be required to take any job training or employment in cases where her child is not adequately cared for. If she has a mother living with her, she can leave the child with her mother if she wants to. But if a child-care center is required, and none is available to her, then she would not be required to take any training or go to work until there was a child-care center provided.

Mrs. ABZUG. Can the gentleman tell me the provision of the bill which states that adequate child-care facilities will be available under those conditions? I have not been able to find it.

Mr. MILLS of Arkansas. That is the point I make. There is nothing in the bill that says that we will have adequate child-care facilities. We are estimating what will be necessary in the first year to provide child-care facilities for those that we will be putting into training or into work. It is simply an estimate. If there is not enough, of course, we can adjust the provision later on. We think it will be enough, because we think it will include everyone that we could possibly get into training for work.

Mrs. ABZUG. One further question.

Where did the gentleman obtain the figures for the bill as it now stands?

Mr. MILLS of Arkansas. These are estimates made by departmental people and by us as to how many child-care slots we need if we have the capacity to train as many people. You see, the relationship is between the two.

Mrs. ABZUG. What is the number in the bill?

Mr. MILLS of Arkansas. I have the figure somewhere. I yield to the gentleman from New York (Mr. CAREY) to supply that figure.

Mr. CAREY of New York. It is 875,000.

Mr. MILLS of Arkansas. It is 875,000, sure. And the cost would be how much?

Mr. CAREY of New York. It is \$700 million.

Mr. MILLS of Arkansas. That is correct; \$700 million.

Mr. CAREY of New York. There is an additional \$50 million for modification and construction money.

Mr. MILLS of Arkansas. That is correct, but that does not go into slots. If that is not enough, we will have to get more later on, because we are determined to put these people to work. That is the whole purpose of the bill.

Let me close, if there are no further questions, by apologizing, first, for trespassing on the time of my friends. It is the first time since I have been a Member of Congress that I have been down here for more than an hour. I did tell the Rules Committee I would yield for any and all questions. Tomorrow, when we get into the question of striking IV, I will have more to say about title IV for a limited period of time.

I do thank you. I do not care what your views are, I do not care what political philosophy you have. I believe I can assure you that this bill is a step in the right direction.

There is very little difference, frankly, within the committee. My good friend from Oregon will tell you his thinking tomorrow. We will yield to him to describe the proposal he had discussed in the committee. But under the rule you have adopted, his proposal cannot be offered now as a substitute for what is in the committee bill.

The question tomorrow will be whether you want the present system or a new approach, title IV of the bill. If title IV is better—and it is far better—vote "no" on the motion to strike. If you believe that this welfare mess is a mess, as I am convinced it is, let me assure you you should not strike title IV from the bill.

I believe it is a great improvement, a great improvement, and that within a 5-year period it will produce a program of less cost by far than will be the cost of the present welfare program. If you do not believe that, talk to your Governor.

I include the following:

SUMMARY OF PROVISIONS OF H.R. 1—THE "SOCIAL SECURITY AMENDMENTS OF 1971" AS REPORTED TO THE HOUSE OF REPRESENTATIVES ON MAY 26, 1971 (HOUSE REPORT NO. 92-231)

I. PROVISIONS RELATING TO THE SOCIAL SECURITY CASH BENEFITS PROGRAM

Five-percent increase in social security benefits.—Social security benefits would be

increased by 5 percent. The minimum benefit would be increased from \$70.40 to \$74.00 a month. The average old-age insurance benefit payable for the effective month would rise from an estimated \$133 to \$141 a month and the average benefit for aged couples would increase from an estimated \$222 to \$234 a month. Special benefits for persons age 72 and over who are not insured for regular benefits would be increased from \$48.30 to \$50.80 for individuals and from \$72.50 to \$76.20 for couples.

Effective date.—Benefits payable for June 1972.

Number of people affected and dollar payments.—27.4 million beneficiaries would become entitled to higher payments and 16,000 people would be made newly eligible. About \$2.1 billion in additional benefits would be paid in the first full year.

Automatic increase in benefits, the contribution and benefit base, and in the earnings test

(a) Increases in benefits:

Social security benefits would be automatically increased according to the rise in the cost of living. Increases could occur only once a year, provided that the Consumer Price Index increased by at least 3 percent and that legislation increasing benefits had neither been enacted nor become effective in the previous year.

(b) Increases in contribution and benefit base:

In any year in which an automatic benefit increase becomes effective, the social security contribution and benefit base would be automatically increased according to the rise in average wages covered under the social security program (if wage levels had gone up sufficiently).

(c) Change in earnings test:

In any year in which an automatic benefit increase becomes effective, the exempt amount under the retirement test would be automatically increased in the same manner as the contribution and benefit base is increased—according to the rise in average wages covered by the program.

Effective date.—First possible increase effective for January 1974.

Special minimum primary insurance amounts

A special minimum benefit would be provided for people who worked for 15 or more years under social security. The benefit would be equal to \$5 multiplied by the number of years of coverage the person has under the social security program, up to a maximum of 30 years. The highest minimum benefit under this provision would be \$150 for a person who had 30 or more years of coverage. The special minimum would not be raised under the automatic benefit increase provisions.

Effective date.—January 1972.

Number of people affected and dollar payments.—300,000 people would get increased benefits on the effective date and \$30 million in additional benefits would be paid in the first full year.

Increased widow's and widower's insurance benefits

A widow (or widower), including those already on the rolls, would be entitled to a benefit equal to 100 percent of the amount her deceased husband would be receiving if he were still living. Benefits applied for before age 65 would be reduced according to the widow's age at the time of application.

Effective date.—January 1972.

Number of people affected and dollar payments.—3.4 million people would receive increased benefits on the effective date, and \$764 million in additional benefits would be paid in the first full year.

Increased benefits for those who delay retirement beyond age 65

A worker's old-age benefit would be increased by 1 percent for each year (one-twelfth of 1 percent for each month) in which the worker between ages 65 and 72 does not receive benefits because he is working after age 65. No increased benefit would be paid under the provision to the worker's dependents or survivors.

Effective date.—Prospective only for computations and recomputations after 1971 based on earnings after 1970.

Number of people affected and dollar payments.—400,000 people would receive increased benefits, and \$11 million in additional benefits would be paid, in the first full year.

Age-62 computation point for men

Under present law, the method of computing benefits for men and women differs in that years up to age 65 must be taken into account in determining average earnings for men, while for women only years up to age 62 must be taken into account. Also, benefit eligibility is figured up to age 65 for men and up to age 62 for women. Under the bill, these differences, which provide special advantages for women, would be eliminated by applying the same rules to men as now apply to women.

The new provision would become effective over a 3-year transition period. The number of years used in computing benefits for men would be reduced in three steps. Men who reach age 62 in 1972 would have only years up to age 64 taken into account; men who reach age 62 in 1973 would have only years up to age 63 taken into account; men reaching age 62 in 1974 or later would have only years up to age 62 taken into account in determining average earnings. The number of quarters of coverage needed for insured status for men would also be reduced in three steps, with the first step in the reduction effective for January 1972 and subsequent reductions in 1973 and 1974.

Effective date.—Prospective only, in 3 annual steps, becoming fully effective for men reaching 62 in 1974 and after.

Dollar payments.—\$6 million in additional benefits would be paid in the first full year.

Additional dropout years

One additional year of low earnings—in addition to the 5 years provided under present law—for each 15 years of covered work could be dropped in computing the average monthly wage on which benefit amounts are based.

Effective date.—Benefits payable on the basis of the earnings of people who reach age 62 or die after 1971 or whose first month of entitlement to disability insurance benefits is after December 1971.

Dollar payments.—\$17 million in additional benefits would be paid in the first full year.

Election to receive actuarially reduced benefits in one category not to be applicable to certain benefits in other categories

Under present law, when a person receives a benefit in one benefit category that is reduced because it is taken before age 65, and also receives another benefit in a different benefit category beginning with the same month or a later month, the second benefit is generally reduced to reflect the reduction in the first benefit. For example, when a woman applies for a retirement benefit prior to age 65, it is reduced under the actuarial reduction formula; if she applies for a spouse's benefit at age 65 or later, it is reduced to take account of the fact that she took her retirement benefit early. The bill would eliminate the actuarial reduction of the spouse's benefit in such cases. The same rule would apply to men entitled to dependent husbands' benefits.

Effective date.—The sixth month following the month of enactment.

Number of people affected and dollar payments.—100,000 people would receive increased benefits on the effective date, and \$20 million in additional benefits would be paid in the first full year.

Computation of benefits based on combined earnings

A working married couple each of whom had at least 20 years of covered earnings under the program after marriage could have their earnings for each year combined up to the maximum amount of taxable earnings for that year. If they elected to have their earnings combined, each member would receive a benefit equal to 75 percent of the benefit based on their combined earnings. Payments to the surviving spouse based on the combined earnings would continue at the 75-percent rate. Dependents' and other survivors' benefits would not be affected. The provision would be an alternative to present law and would apply only if higher payments would result.

Effective date.—Prospective only for people who attain age 62 in or after January 1972.

Dollar payments.—\$11 million in additional benefits would be paid in the first full year.

Liberalization of the retirement test

The amount that a beneficiary under age 72 may earn in a year and still be paid full social security benefits for the year would be increased from the present \$1,680 to \$2,000. Under present law, benefits are reduced by \$1 for each \$2 of earnings between \$1,680 and \$2,880 and for each \$1 of earnings above \$2,880. The bill would provide for a \$1 reduction for each \$2 of all earnings above \$2,000; there would be no \$1-for-\$1 reduction as under present law. Also, in the year in which a person attains age 72 his earnings in and after the month in which he attains age 72 would not be included, as under present law, in determining his total earnings for the year.

Effective date.—Taxable years ending after 1971.

Number of people affected and dollar payments.—In the first full year, 700,000 people would receive increased payments and 390,000 people who get no payments under present law could get some payments. Additional benefits amounting to \$484 million would be paid in the first full year.

Reduced benefits for widowers at age 60

Widowers under age 62 could be paid reduced benefits (on the same basis as widows under present law) starting as early as age 60.

Effective date.—January 1972.

Childhood disability benefits

Childhood disability benefits would be paid to the disabled child of an insured retired, deceased, or disabled worker, if the disability began before age 22, rather than before 18 as under present law. In addition, a person who was entitled to childhood disability benefits could become re-entitled if he again becomes disabled within 7 years after his prior entitlement to such benefits was terminated.

Effective date.—January 1972.

Number of people affected and dollar payments.—13,000 additional people would become immediately eligible for benefits on the effective date, and \$14 million in additional benefits would be paid in the first full year.

Continuation of student's benefits through end of semester

Payment of benefits to a child attending school would continue through the end of the semester or quarter in which the student (including a student in a vocational school) attains age 22 (rather than the month be-

fore he attains age 22) if he has not received, or completed the requirements for, a bachelor's degree from a college or university.

Effective date.—January 1972.

Number of people affected and dollar payments.—55,000 students would have their benefits continued beyond age 22, and \$16 million in additional benefits would be paid, in the first full year.

Benefit-eligibility requirements for a child adopted by an old-age or disability insurance beneficiary

The provisions of present law relating to eligibility requirements for child's benefits in the case of adoption by old-age and disability insurance beneficiaries would be modified to make the requirements uniform in both cases. A child adopted after a retired or disabled worker becomes entitled to benefits would be eligible for child's benefits based on the worker's earnings if the child is the natural child or stepchild of the worker or if (1) the adoption was decreed by a court of competent jurisdiction within the United States, (2) the child lived with the worker in the United States for the year before the worker became disabled or entitled to an old-age or disability insurance benefit, (3) the child received at least one-half of his support from the worker for that year, and (4) the child was under age 18 at the time he began living with the worker.

Effective date.—January 1968.

Nontermination of child's benefits by reason of adoption

A child's benefit would no longer stop when the child is adopted.

Effective date.—Month of enactment.

Elimination of the support requirements for divorced women

Under present law, benefits are payable to a divorced wife age 62 or older and a divorced widow age 60 or older if her marriage lasted 20 years before the divorce, and to a surviving divorced mother. In order to qualify for any of these benefits a divorced woman is required to show that: (1) she was receiving at least one-half of her support from her former husband, (2) she was receiving substantial contributions from her former husband pursuant to a written agreement, or (3) there was a court order in effect providing for substantial contributions to her support by her former husband. The bill would eliminate these support requirements for divorced wives, divorced widows, and surviving divorced mothers.

Effective date.—January 1972.

Number of people affected and dollar payments.—10,000 additional women would become immediately eligible for benefits on the effective date, and \$18 million in additional benefits would be paid in the first full year.

Waiver of duration-of-marriage requirement in case of remarriage

The duration-of-marriage requirement in present law for entitlement to benefits as a worker's widow, widower, or stepchild—that is, the period of not less than nine months immediately prior to the day on which the worker died that is now required (except where death was accidental or in the line of duty in the uniformed service, in which case the period is three months)—would be waived in cases where the worker and his spouse were previously married, divorced, and remarried, if they were married at the time of the worker's death and if the duration-of-marriage requirement would have been met at the time of the divorce had the worker died then.

Effective date.—January 1972.

Disability insured status for individuals who are blind

Under present law, to be insured for disability insurance benefits a worker must be

fully insured and meet a test of substantial recent covered work (generally 20 quarters of coverage in the period of 40 calendar quarters preceding disablement). The bill would eliminate the test of recent attachment to covered work for blind people; thus a blind person would be insured for disability benefits if he is fully insured—that is, he has as many quarters of coverage as the number of calendar years that elapsed after 1950 (or the year he reached age 21, if later) and up to the year in which he became disabled.

Effective date.—January 1972.

Number of people affected and dollar payments.—30,000 additional people would become immediately eligible for benefits on the effective date, and \$29 million in additional benefits would be paid in the first full year.

Wage credits for members of the uniformed services

Present law provides for a social security noncontributory wage credit of up to \$300 in addition to contributory credit for basic pay, for each calendar quarter of military service after 1967. Under the bill, the additional noncontributory wage credits would also be provided for service during the period January 1957 (when military service came under contributory social security coverage) through December 1967.

Effective date.—January 1, 1972.

Number of people affected and dollar payments.—130,000 additional people would receive larger benefits on the effective date, and \$39 million in additional benefits would be paid in the first full year.

Reduction in waiting period for disability benefits

The present 6-month period throughout which a person must be disabled before he can be paid disability benefits would be reduced by one month (to 5 months).

Effective date.—January 1972.

Number of people affected and dollar payments.—950,000 people would receive increased benefits, and \$105 million in additional benefits would be paid in the first full year.

Disability insurance benefits applications filed after death

Disability insurance benefits (and dependents' benefits based on a worker's entitlement to disability benefits) would be paid to the disabled worker's survivors if an application for benefits is filed within 3 months after the worker's death, or within 3 months after enactment of this provision.

Effective date.—For deaths occurring after 1969.

Disability benefits affected by the receipt of workmen's compensation

Under the present law, social security disability benefits must be reduced when workmen's compensation is also payable if the combined payments exceed 80 percent of the worker's average current earnings before disablement. Average current earnings for this purpose can be computed on two different bases and the larger amount will be used. The bill adds a third alternative base, under which a worker's average current earnings can be based on the one year of his highest earnings in a period consisting of the year of disablement and the five preceding years.

Effective date.—January 1972.

Number of people affected and dollar payments.—65,000 people would receive increased benefits on the effective date, and \$4 million in additional benefits would be paid in the first full year.

Optional determination of self-employment earnings

Self-employed persons could elect to report for social security purposes two-thirds of their gross income from nonfarm self-em-

ployment, but not more than \$1,600. (This optional method of reporting is similar to the option available under present law for farm self-employment.) A regularity of coverage requirement would have to be met and the option could be used only five times by any individual.

Effective date.—Taxable years beginning after 1971.

Payments by an employer to the survivor or estate of a former employee

Amounts earned by an employee which are paid after the year of his death to his survivors or his estate would be excluded from coverage. Under present law, such wages are covered and social security taxes must be paid on these wages but the wages cannot be used to determine eligibility for or the amount of social security benefits.

Effective date.—January 1972.

Coverage of members of religious orders who are under a vow of poverty

Social security coverage would be made available to members of religious orders who have taken a vow of poverty, if the order makes an irrevocable election to cover these members as employees of the order.

Effective date.—Upon enactment.

Self-employment income of certain individuals living temporarily outside the United States

Under present law, a U.S. citizen who retains his residence in the United States but who is present in a foreign country or countries for approximately 17 months out of 18 consecutive months, must exclude the first \$20,000 of his earned income in computing his taxable income for social security and income tax purposes. The bill would provide that U.S. citizens who are self-employed outside the U.S. and who retain their residence in the United States would not exclude the first \$20,000 of earned income for social security purposes and would compute their earnings from self-employment for social security purposes in the same way as those who are self-employed in the U.S.

Effective date.—Taxable years beginning after 1971.

Penalty for furnishing false information to obtain a social security number

Provides criminal penalties when an individual furnishes false information in applying for a social security number with intent to deceive the Secretary as to his true identity.

Trust fund expenditures for rehabilitation services

Provides an increase in the amount of social security trust fund monies that may be used to pay for the costs of rehabilitating social security disability beneficiaries. The amount would be increased from 1 percent of the previous year's disability benefits (as under present law) to 1½ percent for fiscal year 1972 and to 1¾ percent for fiscal year 1973 and subsequent years.

Dollar payments.—Additional payments for the cost of vocational rehabilitation services would amount to \$17 million in the first full year.

Other OASDI amendments

Other changes relate to social security coverage of policemen and firemen in Idaho, public hospital employees in New Mexico, Federal Home Loan Bank employees, employees of the Government of Guam, and students employed by certain nonprofit organizations; retroactive payments for certain disabled people; social security benefits for a child entitled on the earnings record of more than one worker; benefits for certain dependent grandchildren; recomputation of benefits to survivors of a deceased worker who was entitled to both social security and railroad retirement benefits; authorization for the Managing Trustee of the social security

trust funds to accept money gifts or bequests; and preserving the amount of a family's benefit when the worker's benefit is increased.

II. PROVISIONS RELATING TO MEDICARE, MEDICAID, AND MATERNAL AND CHILD HEALTH

A. Eligibility and payment for benefits

Extending health insurance protection to disabled beneficiaries

Health insurance protection under title XVIII would be extended to persons entitled to monthly cash benefits under the social security and railroad retirement programs because they are disabled, after they have been entitled to disability benefits for at least two years.

Effective date.—July 1972.

Number of people affected and dollar payments.—About 1.5 million disabled social security and railroad beneficiaries would be eligible for both hospital benefits and physician coverage under medicare. About \$1.85 billion in benefits would be paid on behalf of disabled beneficiaries in the first full year of the program.

Hospital insurance for the uninsured

People reaching age 65 who are ineligible for hospital insurance benefits under medicare would be able to enroll, on a voluntary basis, for hospital insurance coverage under the same conditions under which people can enroll under the supplementary medical insurance part of medicare. Those who enroll would pay the full cost of the protection—\$31 a month at the beginning of the program—rising as hospital costs rise. States and other organizations, through agreements with the Secretary, would be permitted to purchase such protection on a group basis for their retired (or active) employees age 65 or over.

Effective date.—January 1972.

Amount of supplementary medical insurance premium

The supplementary medical insurance premium will be determined as under present law for months through June 1972 (\$5.30 through June 1971 and \$5.60 from July 1971 through June 1972.) Thereafter, the Secretary of Health, Education, and Welfare would, as under present law, determine and promulgate for each year a monthly enrollee premium for both aged and disabled. However, the enrollee premiums would be increased only in the event of the enactment of legislation providing for a general benefit increase or in the event of an automatic general benefit increase. In any given year, the premium would rise by no more than the percentage by which cash benefits had been increased across the board in the interval since the premium was last increased. The premium amount paid by the beneficiary would never exceed one-half of total program costs.

Effective date.—July 1972.

Change in supplementary medical insurance deductible

The Medicare part B deductible, currently \$50 per year, would be increased to \$60.

Effective date.—January 1972.

Coinurance under hospital insurance and the lifetime reserve

Coinurance equal to one-eighth of the inpatient hospital deductible would be imposed for each day of inpatient hospital coverage during a benefit period beginning with the 31st day and continuing through the 60th day. This amount is now \$7.50, but would increase as the inpatient hospital deductible increases (as hospital costs rise). (Coinurance for the 61st through the 90th day would remain equal to one-fourth of the inpatient hospital deductible.) The lifetime reserve, under which the beneficiary pays one-half of the hospital deductible, would be increased from 60 days to 120 days.

Effective date.—Hospital stays beginning after 1971.

Automatic enrollment for supplementary medical insurance

People entitled to hospital insurance benefits would be automatically enrolled and covered for supplementary medical insurance benefits unless they indicate they do not want to be enrolled for such coverage.

Effective date.—January 1972.

Incentives for comprehensive care under medicaid

Incentives would be created for States to contract with health maintenance organizations or similar facilities. At the same time, disincentives would be provided to discourage prolonged stays in institutions. Specifically, there would be—

(1) an increase of 25 percent (up to maximum of 95 percent) in the Federal Medicaid matching percentage to States under contract with HMO's or other comprehensive health care facilities;

(2) a decrease in the Federal medical assistance percentage by one-third after the first 60 days of care in a general or TB hospital;

(3) a reduction in the Federal percentage by one-third after the first 60 days of care in a skilled nursing home unless the State establishes that it has an effective utilization review program;

(4) a decrease in Federal matching by one-third after 90 days of care in a mental hospital and provision for no Federal matching after 275 additional days of such care during an individual's lifetime except that the 90-day period may be extended for an additional 30 days if a doctor certifies that the patient will benefit therapeutically from such an additional period of hospitalization; and

(5) authority for the Secretary to compute a reasonable cost differential for reimbursement between skilled nursing homes and intermediate care facilities.

Effective date.—July 1, 1971, except that the reasonable cost differential provision would be effective January 1, 1972.

Cost-sharing under medicaid

The Secretary of Health, Education, and Welfare would be able to require the payment of a premium, related to income, for those eligible as medically indigent (non-cash recipients) under a State medicaid program. In addition, states would be permitted to impose a nominal cost sharing with respect to cash recipients, but applying only to services not required to be provided under the State program. States could apply copayment provisions to the medically indigent which are not related to income.

Effective date.—July 1, 1972.

Determination of payments under medicaid

Families eligible for cash assistance would have a deductible under medicaid equal to one-third of the family's earnings above \$720 (after deducting the earnings of school children and any costs of required child care) less the difference between the medicaid standard and the payment standard, if any, in that State. All States would be required to impose such a deductible. Any family with income below the State medicaid standard would be eligible for medicaid assistance.

Effective date.—July 1, 1972.

Relationship between medicare and Federal employees benefits

Effective with January 1, 1975, no payment would be made under medicare for the same services covered under a Federal employees health benefits plan, unless in the meantime the Secretary of Health, Education, and Welfare certifies that such plan or the Federal employees health benefits program has been modified to make available coverage supplementary to medicare benefits and that Federal employees and retirees age 65 and over will continue to have the benefit of a contribution toward their health insurance

premiums from either the Government or the individual plan.

Effective date.—January 1975.

Medicare benefits for people living near United States border

Medicare beneficiaries living in border areas of the United States would be entitled to covered inpatient hospital care outside the United States if the hospital they use is closer to their residence than a comparable United States hospital and if it has been accredited by a hospital approval program with standards comparable to medicare standards. Coverage would also be extended in these cases to physicians' and ambulance services furnished in conjunction with covered foreign hospital care.

Effective date.—January 1972.

B. Improvements in operating effectiveness Limitation on Federal participation for capital expenditures

Reimbursement amounts to providers of health services and health maintenance organizations under the medicare, medicaid, and maternal and child health programs for capital costs, such as depreciation and interest, would not be made with respect to large capital expenditures which are inconsistent with State or local health facility plans. States would be required to establish procedures by which a facility or organization proposing a capital expenditure may appeal a decision by a planning agency.

Effective date.—July 1972 (or earlier if requested by a State).

Experiments and Demonstration Projects in Prospective Reimbursement and Incentives for economy

The Secretary of Health, Education, and Welfare would be required to develop experiments and demonstration projects designed to test various methods of making payment to providers of services on a prospective basis under the medicare, medicaid, and maternal and child health programs. In addition, the Secretary would be authorized to conduct experiments with methods of payment or reimbursement designed to increase efficiency and economy (including payment for services furnished by organizations providing comprehensive, mental, or ambulatory health care services); with areawide or communitywide peer review, utilization review, and medical review mechanisms; and with performance incentives for intermediaries and carriers.

Effective date.—Enactment.

Limits on Cost recognized as Reasonable

The Secretary of Health, Education, and Welfare would be given authority to establish and promulgate limits on provider costs to be recognized as reasonable under medicare based on comparisons of the cost of covered services by various classes of providers in the same geographical area. Hospitals and extended care facilities could charge beneficiaries for the costs of services in excess of those that are found necessary to the efficient delivery of needed health services (except in the case of an admission by a physician who has a financial interest in the facility).

Effective date.—July 1972.

Limits on Prevailing Charge Levels

Physicians' charges determined to be reasonable under the present criteria in the medicare, medicaid, and maternal and child health law would be limited by providing: (a) that after December 31, 1970, medical charge levels recognized as prevailing may not be increased beyond the 75th percentile of actual charges in a locality during the calendar year elapsing prior to the start of the fiscal year; (b) that for fiscal year 1973 and thereafter the prevailing charge levels recognized for a locality may be increased, in the aggregate, only to the extent justified by indexes reflecting changes in costs of

practice of physicians and in earnings levels; and (c) that for medical supplies, equipment, and services that, in the judgment of the Secretary, generally do not vary significantly in quality from one supplier to another, charges allowed as reasonable may not exceed the lowest levels at which such supplies, equipment, and services are widely available in a locality. The existing Health Insurance Benefits Advisory Council is to conduct a study of the methods of reimbursement of physicians' fees under medicare and report to the Congress not later than July 1, 1972.

Effective date.—(See provision.)

Limits on skilled nursing home and intermediate care facility costs

The average per diem costs for skilled nursing homes and intermediate care facilities countable for Federal financial participation under medicare would be limited to 105 percent of such costs for the same quarter of the preceding year. Increases resulting from higher labor costs due to minimum wage legislation would not count in computing the cost figure.

Effective date.—January 1, 1972.

Payments to health maintenance organizations

Medicare beneficiaries could choose to have all covered care, except emergency services, provided by a health maintenance organization (a prepaid group health or other capitation plan). The Department of Health, Education, and Welfare would contract with such organization, and would reimburse them on a monthly per capita basis at a rate equivalent to 95 percent of the estimated per capita costs of medicare beneficiaries in the area who are not enrolled in such organizations. Profits accruing to the organization, beyond its retention rate for nonmedicare members, would be passed on to the medicare enrollees in the form of expanded benefits.

Effective date.—January 1972.

Payments for services of teaching physicians

Medicare would pay for the services of teaching physicians on the basis of reasonable costs, rather than fee-for-service charges, unless a bona fide private patient relationship had been established or the hospital had, in the 2-year period ending in 1967, and substantially, customarily charged all patients and collected from at least 50 percent of patients on a fee-for-service basis. Medicare payments would also be authorized on a cost basis for services provided to hospitals by the staff of certain medical schools.

Effective date.—Accounting periods beginning after June 30, 1971.

Advance approval of extended care and home health services under medicare

The Secretary of Health, Education, and Welfare would be authorized to establish minimum periods of time (by medical condition) after hospitalization during which a patient would be presumed, for payment purposes, to require extended care level of services in an extended care facility. The attending physician would certify to the condition and related need for the services. A similar provision would apply to post-hospital home health services.

Effective date.—January 1972.

Termination of payments to suppliers of services who abuse the medicare or medicare programs

The Secretary of Health, Education, and Welfare would be given authority to terminate payment for services rendered by a supplier of health and medical services found to be guilty of program abuses. Program review teams would be established to furnish the Secretary professional advice in carrying out this authority.

Effective date.—Enactment.

Elimination of requirement that States have comprehensive medicare programs

The existing requirement that States have comprehensive medicare programs by 1977 would be repealed.

Effective date.—Enactment.

Reductions in care and services under medicare

The States would be permitted to eliminate or reduce the scope and extent of health services which are optional under the Federal medicare statute, e.g., outpatient drugs, eyeglasses and dental care. States would have to provide the same dollar amounts for their required health services.

Effective date.—Enactment.

State determinations of reasonable hospital costs under medicare

States would be allowed to develop methods and standards for reimbursing the reasonable cost of inpatient hospital services. Such costs could not exceed medicare rates.

Effective date.—July 1, 1972, or earlier if a State plan so provides.

Government payment no higher than charges

Payments for institutional services under the medicare, medicare, and maternal and child health programs could not be higher than the charges regularly made for these services.

Effective date.—July 1971.

Institutional planning under medicare

Health institutions under the medicare program would be required to have a written plan reflecting an operating budget and a capital expenditure budget.

Effective date.—Sixth month following month of enactment.

Federal matching for automated medicare systems

Federal matching for the cost of designing, developing, and installing mechanized claims processing and information retrieval systems would be set at 90 percent and 75 percent for operation of such systems.

Effective date.—July 1, 1971.

Prohibition of reassignments

Medicare (part B) and medicare payments to anyone other than a patient, his physician, or other person providing the service, would be prohibited, unless the physician (or, in the case of medicare, another type of practitioner) is required as a condition of his employment to turn over his fees to his employer or unless there is a contractual arrangement between the physician and the facility in which the services were provided under which the facility bills for all such services.

Effective date.—Enactment date for medicare; July 1, 1972 (or earlier at the option of the State) for medicare.

Institutional utilization review under medicare

The same utilization review committees now reviewing medicare cases in hospitals and nursing homes would be required to review medicare cases in institutions utilized by medicare.

Stopping payment where hospital admission not necessary under medicare

If the utilization review committee of a hospital or extended care facility, in its sample review of admissions, finds a case where institutionalization is no longer necessary, payment would be cut off after 3 days. This provision parallels the provision in present law under which long-stay cases are cut off after 3 days when the utilization review committee determines that institutionalization is no longer required.

Effective date.—Third month following the month of enactment.

Use of health agencies in medicare

State medicare programs would be required—

(1) To establish and implement plans, prepared by the State health agency, or other appropriate State medical agency, for the professional review of care provided to medicare recipients, and

(2) Provide that the State medical agency which licenses health institutions shall perform that function for medicare.

Effective date.—July 1, 1972.

Medicare and comprehensive health care programs

A state medicare plan would not be out of compliance if it arranged for medicare care through a comprehensive health plan in one or more areas which provided more services than are generally provided under the State's medicare plan.

Effective date.—Enactment.

Program for determining qualifications for certain health care personnel

The Secretary of Health, Education, and Welfare would be required to develop and employ proficiency examinations to determine whether health care personnel, not otherwise meeting specific formal criteria now included in medicare regulations, have sufficient training, experience, and professional competence to be considered qualified personnel for purposes of the medicare and medicare program.

Effective date.—Enactment.

Penalty for fraudulent acts under medicare and medicare

Present penalty provisions relating to the making of a false statement or representation of a material fact in any application for medicare payments would be broadened to include the soliciting, offering, or acceptance of kickbacks or bribes, including the rebating of a portion of a fee or a charge for a patient referral, by providers of health care services. The penalty for such acts would be imprisonment up to one year, a fine of \$10,000, or both. Similar penalty provisions would apply under medicare.

Anyone who knowingly and willfully makes, or induces the making of, a false statement of material fact with respect to the conditions and operation of a health care facility or home health agency in order to secure medicare or medicare certification of the facility or agency, would be guilty of a misdemeanor punishable by up to 6 months' imprisonment, a fine of not more than \$2,000, or both.

Effective date.—Enactment.

C. Miscellaneous and technical provisions
Physical therapy and other therapy services under medicare

Under medicare's supplementary medical insurance program, up to \$100 per calendar year of physical therapy services furnished by a licensed therapist in his office or the patient's home under a physician's plan would be included in covered charges. Hospitals and extended care facilities could provide physical therapy services under part B to inpatients who have exhausted their days of hospital insurance coverage. Where physical therapy and other ancillary services are furnished by a provider of services, or by others under arrangements with the provider, medicare reimbursement to the provider would in all cases be based on a reasonable salary payment for the services.

Effective date.—January, 1972.

Coverage of supplies related to colostomies

Medicare coverage would be provided for colostomy bags and supplies directly related to colostomy care.

Effective date.—Enactment.

Ptosis bars

Coverage would be provided under part B of medicare for ptosis bar devices required

for the care of individuals suffering from paralysis or atrophy of the eyelid muscle.

Effective date.—Enactment.

Intermediate care facilities under medicaid

The provisions for optional coverage of intermediate care facilities would be moved from title XI of the Act (here it applies, by reference to the cash assistance titles) to the XIX as an optional service. Services in a public institution for the mentally retarded could qualify if the primary purpose is to provide health or rehabilitation services and if the patient is receiving active treatment.

Effective date.—January 1, 1972.

Coverage prior to application under medicaid

States would be required to provide medicaid coverage for care and services furnished in or after the third month prior to the application of an eligible person.

Effective date.—July 1, 1972.

Certification of hospitalization for dental care

A dentist would be authorized to certify the necessity for hospitalization to protect the health of a medicare patient who is hospitalized for a noncovered dental procedure.

Effective date.—Third month after month of enactment.

Grace period for paying medical premium

Where there is good cause for a medicare beneficiary's failure to pay supplementary medical insurance premiums, an extended grace period of 90 days would be provided.

Effective date.—Enactment.

Extension of time for filing medicare claims

The time limit for filing supplementary medical insurance claims would be extended where the medicare beneficiary's delay is due to administrative error.

Effective date.—Enactment.

Waiver of enrollment period requirements where administrative error is involved

Relief would be provided where administrative error has prejudiced an individual's right to enroll in medicare's supplementary medical insurance program.

Effective date.—July 1966.

Three-year limitation on medicare enrollment dropped

Eligible beneficiaries would be permitted to enroll under medicare's supplementary medical insurance program during any prescribed enrollment period. Beneficiaries would no longer be required to enroll within 3 years following first eligibility or a previous withdrawal from the program.

Effective date.—Enactment.

Waiver of medicare overpayment

Where incorrect medicare payments were made to a deceased beneficiary, the liability of survivors for repayment could be waived if the survivors were without fault in incurring the overpayment.

Effective date.—Enactment.

Medicare fair hearings

Fair hearings, held by medicare carriers in response to disagreements over amounts paid under supplementary medical insurance, would be conducted only where the amount in controversy is \$100 or more.

Effective date.—Enactment.

Collection of medicare premium by the railroad retirement board

Where a person is entitled to both railroad retirement and social security monthly benefits, his premium payment for supplementary medical insurance benefits would be deducted from his railroad retirement benefit in all cases. The Railroad Retirement Board is given authority to choose the carrier for part B benefits for its beneficiaries.

Effective date.—Applicable to premiums becoming due after the fourth month following the month of enactment.

Prosthetic lenses furnished by optometrists

The definition of physician, for purposes of the medicare program, would be amended to include a licensed doctor of optometry, but only with respect to establishing the medical necessity of prosthetic lenses (which are already covered under the program).

Effective date.—Enactment.

Social Services Requirement in Extended Care Facilities

The present requirement for social services in extended care facilities under medicare would be removed.

Effective date.—Enactment.

Refund of Excess Premiums

In the event of the death of a medicare beneficiary, any hospital or medical insurance premiums paid for any month after the month of his death will be refunded to his estate or to a survivor.

Effective date.—Enactment.

Waiver of Requirement for Skilled Nursing Homes in Rural Areas

The requirement that skilled nursing homes under medicaid have at least one full-time registered nurse on the staff would be waived for up to one year at a time over a five-year period where the skilled nursing home is in a rural area and certain other conditions are met.

Effective date.—Enactment.

Exemption of Christian Scientist Sanatoriums From Certain Requirements Under Medicaid

Christian Scientist sanatoriums under medicaid would be exempted from provisions in the bill which require certain health-related functions or conditions.

Effective date.—Enactment.

Requirements for Nursing Home Administrators

States would be permitted to provide under medicaid for a permanent waiver of a nursing home administrator who had been such an administrator for more than 3 years before the time the basic provision became effective (July 1970).

Effective date.—Enactment.

Termination of Nursing Home Administration Advisory Council

The National Advisory Council on Nursing Home Administrations under medicaid would be terminated.

Effective date.—Thirty days after enactment.

Increase in limit on payments to Puerto Rico for medicaid

The present limit of \$20 million on the annual Federal payment for medicaid would be raised to \$30 million. The present matching rate of 50 percent would be retained.

Effective date.—Fiscal year 1972.

Provider reimbursement review board under medicare

Providers of services, under certain circumstances, would be permitted to appeal to a review board (established by the Secretary specifically to conduct such reviews) from a decision of the fiscal intermediary concerning the amount of program reimbursement, if the amount in controversy is at least \$10,000.

Chiropractors' Services

The Secretary of Health, Education, and Welfare would conduct a study of the desirability of covering chiropractors' services under medicare, utilizing the experiments and experience under the medicaid program. A report on the study, including the experience of other programs paying for chiropractors' services, would be submitted to the Congress within 2 years after enactment of the bill.

Effective date.—Enactment.

Extension of title V to American Samoa and the Trust Territory of the Pacific

The crippled children and maternal and child health provisions of title V of the Act would be extended to American Samoa and the Trust Territory of the Pacific.

Effective date.—Fiscal years beginning after June 30, 1971.

Financing OASDHI

In order to finance the changes in the OASDHI program as amended by the bill, the limit on taxable earnings would be increased to \$10,200 effective January 1972 and the following schedule of OASDI and HI tax rates would be provided:

SOCIAL SECURITY TAX RATES AND MAXIMUM ANNUAL SOCIAL SECURITY TAXES FOR EMPLOYEES, EMPLOYERS, AND SELF-EMPLOYED

	Employees and employers, each				Self-employed			
	OASDI, percent	HI, percent	Total, percent	Maximum tax	OASDI, percent	HI, percent	Total, percent	Maximum tax
Present law:								
1971 ¹	4.6	0.6	5.2	\$405.60	6.9	0.6	7.5	\$585.00
1972 ²	4.6	.6	5.2	468.00	6.9	.6	7.5	675.00
1973-75 ²	5.0	.65	5.65	508.50	7.0	.65	7.65	688.50
1976-79 ²	5.15	.7	5.85	526.50	7.0	.6	7.7	693.00
1980-86 ²	5.15	.8	5.95	535.50	7.0	.8	7.8	702.00
1987 and after ²	5.15	.9	6.05	544.50	7.0	.9	7.9	711.00
H.R. 1 (excluding effect of the automatic adjustment provisions):								
1971 ¹	4.6	.6	5.2	405.60	6.9	.6	7.5	585.00
1972 ²	4.2	1.2	5.4	550.80	6.3	1.2	7.5	765.00
1975-76 ²	5.0	1.2	6.2	632.40	7.0	1.2	8.2	836.40
1977 and after ²	6.1	1.3	7.4	754.80	7.0	1.3	8.3	846.60

¹ Tax rates apply to annual earnings up to \$7,800.
² Tax rates apply to annual earnings up to \$9,000.
³ Tax rates apply to annual earnings up to \$10,200.

III. PROVISIONS RELATING TO ASSISTANCE FOR THE AGED, BLIND, AND DISABLED

The existing Federal-State programs of aid to the aged, blind, and permanently and totally disabled would be repealed, effective July 1, 1972, and a new, totally Federal program would be effective on that date. The new national program is designed to pro-

vide financial assistance to needy people who have reached age 65 or are blind or disabled and would be established by a new Title XX of the Social Security Act. The program would be administered by the Social Security Administration through its present administrative framework and facilities.

The eligibility requirements and other

legislative elements of the new program are as follows:

Eligibility for and amount of benefits

Individuals or couples could be eligible for assistance when their monthly income is less than the amount of the full monthly payment.

Full monthly benefits for a single individual would be \$130 for fiscal year 1973; \$140 for fiscal year 1974, and \$150 thereafter. Full monthly benefits for an individual with an eligible spouse would be \$195 for fiscal year 1973, and \$200 for fiscal year 1974 and thereafter. Benefits would not be paid for any full month the individual is outside the U.S.

The Secretary would establish the circumstances under which gross income from a trade or business, including farming, is large enough to preclude eligibility (net income notwithstanding). In addition, people who are in certain public institutions, or in hospitals or nursing homes getting medicaid funds, would be eligible for benefits of up to \$25 a month. People who fail to apply for annuities, pensions, workmen's compensation, and other such payments to which they may be entitled would not be eligible.

Definition of income

In determining an individual's eligibility and the amount of his benefits, both his earned and unearned income would have to be taken into consideration. The definition of earned income would follow generally the definition of earnings used in applying the earnings limitation of the social security program. Unearned income would mean all other forms of income, among which are benefits from other public and private programs, prizes and awards, proceeds of life insurance not needed for expenses of last illness and burial (with a maximum of \$1,500), gifts, support, inheritances, rents, dividends, interest, and so forth. For people who live as members of another person's household, the value of their room and board would be deemed to be 33 1/3 percent of the full monthly payment.

The following items would be excluded from income:

1. Earnings of a student regularly attending school, with reasonable limits.
2. Irregular earned income of an individual of \$30 or less in a quarter and irregular unearned income of \$60 or less in a quarter.
3. The first \$85 of earnings per month and one-half above that for the blind and disabled (plus work expenses for the blind). The first \$60 of earnings per month and one-third above that for the aged.
4. The tuition part of scholarships and fellowships.
5. Home produce.
6. One-third of child-support payments from an absent parent.
7. Foster care payments for a child placed in the household by a child-placement agency.
8. Assistance based on need received from certain public or private agencies.
9. Vocational rehabilitation allowances.

Exclusions from resources

Individuals or couples cannot be eligible for payments if they have resources in excess of \$1,500. The following items would be excluded from resources:

1. The home to the extent that its value does not exceed a reasonable amount.
 2. Household goods and personal effects not in excess of a reasonable amount.
 3. Other property which is essential to the individual's support (within reasonable value limitations).
 4. Life insurance policies (if their total face value is \$1,500 or less).
- Other insurance policies would be counted only to the extent of their cash surrender value.

The Secretary would prescribe periods of

time and manners in which excess property must be disposed of in order that it not be included as resources.

Meaning of terms

An eligible individual must be a resident of the United States, Puerto Rico, the Virgin Islands, or Guam and a citizen or an alien admitted for permanent residence, and be aged, blind, or disabled.

Aged individual: One 65 years of age or older.

Blind individual: An individual who has central visual acuity of 20/200 or less in the better eye with the use of a correcting lens, or equivalent impairment in the fields of vision.

Disabled individual: An individual who is unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment which is expected to last, or has lasted, for 12 months or can be expected to end in death. (This definition is now used for social security disability benefits.)

Eligible spouse: An aged, blind, or disabled individual who is the husband or wife of an individual who is aged, blind, or disabled.

Child: An unmarried person who is not the head of a household and who is either under the age of 18, or under the age of 22 and attending school regularly.

Termination of marital relationship: Appropriate State law will apply except that, if two people were determined to be married for purposes of receiving social security cash benefits, they will be considered to be married, and two persons holding themselves out as married in the community in which they live would be considered married for purposes of this program.

Income and resources of a spouse living with an eligible individual will be taken into account in determining the benefit amount of the individual, whether or not the income and resources are available to him. Income and resources of a parent may count as income of a disabled or blind child.

Rehabilitation services

Disabled and blind beneficiaries would be referred to State agencies for vocational rehabilitation services. A beneficiary who refused without good cause any vocational rehabilitation services offered would not be eligible for benefits.

Optional State supplementation

A State which provides for a State supplement to the Federal payment could agree to have the Federal Government make the supplemental payments on behalf of the State. If a State agrees to have the Federal Government make its supplemental payments, the Federal Government would pay the full administrative costs of making such payments, but if it makes its own payments, the State would pay all of such costs.

States could but would not be required to cover under medicaid persons who are made newly eligible for cash benefits under the bill.

The Federal government, in administering supplemental benefits on behalf of a State, would be required to recognize a residency requirement if the State decided to impose such a requirement.

Payments and procedures

Benefits could be paid monthly, or otherwise, as determined by the Secretary of Health, Education, and Welfare. Benefits could be paid to an individual, an eligible spouse, partly to each, or to another interested party on behalf of the individual. The Secretary could determine ranges of incomes to which a single benefit amount may be applied.

Cash advances of up to \$100 could be paid if an applicant appears to meet all the eligibility requirements and is faced with a financial emergency. Applicants apparently eligible for benefits on the basis of disability could

be paid benefits for up to three months while their disability claim was in process.

The Secretary may arrange for adjustment and recovery in the event of overpayments or underpayments, and could waive overpayments to achieve equity and avoid penalizing people who were without fault.

People who are, or claim to be, eligible for benefits and who disagree with determinations of the Secretary, could obtain hearings if they request them within 30 days. Final determinations would be subject to judicial review in Federal district courts, but the Secretary's decisions as to any fact would be conclusive and not subject to review by the courts.

The right of any person to any future benefit would not be transferable or assignable, and no money payable under the program would be subject to execution, levy, attachment, garnishment, or other legal process.

If an individual fails to report events and changes relevant to his eligibility without good cause, benefits which may be payable to the individual would be terminated or reduced.

The heads of other Federal agencies would be required to provide such information as the Secretary of HEW needs to determine eligibility for benefits.

Penalties for fraud

A penalty of up to \$1,000 or up to one year imprisonment, or both, would be provided in case of fraud under the program.

Administration

The Secretary of HEW may make administrative and other arrangements as necessary to carry out the purposes of the program and the States could enter into agreements to administer the Federal benefits during a transitional period.

Evaluation and research

The Secretary of HEW would continually evaluate the program, including its effectiveness in achieving its goals and its impact on related programs. He could conduct research and contract for independent evaluations of the program. Up to \$5 million a year would be appropriated to carry out the evaluation and research. Annual reports to the President and the Congress on the operation and administration of the program would be required.

IV. PROVISIONS RELATING TO FAMILY PROGRAMS

The present program of aid to families with dependent children (AFDC) would be repealed effective July 1, 1972, and two new totally Federal programs would take effect on that day. The new programs would be adopted for a period of five years (through fiscal year 1977) in order to give Congress an opportunity to review their operation before continuing them in subsequent years. The new programs would be established by a new Title XXI in the Social Security Act. A description of the two new programs follows:

Families in which at least one person is employable would be enrolled in the Opportunities for Families Program, administered by the Department of Labor. Families with no employable person would be enrolled in the Family Assistance Plan administered by the Department of Health, Education, and Welfare.

A—Opportunities for Families program

Registration for employment and training

Every member of a family who is found to be available for work by the Secretary of Health, Education, and Welfare would be required to register for manpower services, training and employment.

An individual would be considered available for work unless such person—

- (1) Is unable to work or be trained because of illness, incapacity, or age;

(2) Is a mother or other relative caring for a child under age 6 (age 3 beginning July 1974);

(3) Is the mother or other female caretaker of a child, if the father or another adult male relative is in the home and is registered.

(4) Is a child under the age of 16 (or a student up to age 22);

(5) Is needed in the home on a continuous basis because of illness or incapacity of another family member.

Nevertheless, any person (except one who is ill, incapacitated, or aged) who would be exempted from registering by the above provisions could voluntarily register.

Every person who registered (other than a volunteer) would be required to participate in manpower services or training and to accept available employment. An individual could not be required to accept employment however—

(1) If the position offered is vacant due to a strike, lockout, or other labor dispute;

(2) If the wages and other employment conditions are contrary to those prescribed by applicable Federal, State, or local law, or less favorable than those prevailing for similar work in the locality, or the wages are less than an hourly rate of $\frac{3}{4}$ of the highest Federal minimum wage (\$1.20 per hour under present law);

(3) If membership in a company union or non-membership in a bona fide union is required;

(4) If he has demonstrated the capacity to obtain work that would better enable him to achieve self-sufficiency, and such work is available.

Child care and other supportive services

The Secretary of Labor directly or by using child care projects under the jurisdiction of the Department of Health, Education, and Welfare, would provide for child care services for registrants who require them in order to accept or continue to participate in manpower services, training, employment, or vocational rehabilitation.

The Secretary of Labor would be authorized funds to provide child care by grant or contract. Families receiving such services might also be required to pay all or part of the costs involved.

Health, vocational rehabilitation, family planning, counseling, social, and other supportive services (including physical examinations and minor medical services) would also be made available by the Secretary of Labor to registrants as needed.

Operation of manpower services, training and employment programs

The Secretary of Labor would develop an employability plan designed to prepare recipients to be self-supporting. The Secretary would then provide the necessary service, training, counseling, testing, coaching, program orientation, job training, and followup services to assist the registrant in securing employment, retaining employment, and obtaining opportunities for advancement.

Provision would also be made for voluntary relocation assistance to enable a registrant and his family to be self-supporting.

Public service employment programs would also be used to provide needed jobs. Public service projects would be related to the fields of health, social service, environmental protection, education, urban and rural development and redevelopment, welfare, recreation, public facility and similar activities. The Secretary of Labor would establish these programs through grants or by contract with public or nonprofit agencies or organizations. The law would provide safeguards for workers on such jobs and wages could not be less than the higher of the prevailing or applicable minimum wage or the Federal minimum wage.

Federal participation in the costs of an

individual's participation in a public service employment program would be 100 percent for the first year of his employment, 75 percent for the second year, and 50 percent for the third.

States and their subdivisions that receive Federal grants would be required to provide the Secretary of Labor with up-to-date listings of job vacancies. The Secretary would also agree with certain Federal agencies to establish annual or other goals for employment of members of families receiving assistance.

Allowances of individuals participating in training

An incentive allowance of \$30 per month would be paid to each registrant who participates in manpower training (States would have the option of providing an additional allowance of up to \$30). Necessary costs for transportation and similar expenses would also be paid.

Utilization of other programs

The Secretary of Labor would be required to integrate this program as needed with all other manpower training programs involving all sectors of the economy and all levels of government.

Rehabilitation services for incapacitated family members

Family members who are incapacitated would be referred to the state vocational rehabilitation service. A quarterly review of their incapacities would usually be made.

Each such incapacitated individual would be required to accept rehabilitation services that are made available to him, and an allowance of \$30 would be paid him while he receives such services. (States would have the option of providing an additional allowance of up to \$30.) Necessary costs for transportation and similar expenses would also be paid.

Evaluation and research; reports

The Secretary of Labor would be authorized to conduct research and demonstrations of the program and directed to make annual evaluation reports to the President and the Congress. An appropriation of \$10,000,000 would be authorized for these purposes.

B—Family assistance plan

Payments of benefits

All eligible families with no member available for employment would be enrolled and paid benefits by the Secretary of Health, Education, and Welfare.

Rehabilitation services and child care for incapacitated family members

Family members who are unemployable because of incapacity would be referred to State vocational rehabilitation agencies for services. A quarterly review of their incapacities would usually be made. Such persons would be required to accept services made available, and would be paid a \$30 per month incentive allowance plus transportation and other related costs. (States would have the option of providing an additional allowance of up to \$30.)

Child care services would also be provided if needed to enable individuals to take vocational rehabilitation services.

Evaluation and research; reports

The Secretary of Health, Education, and Welfare would be authorized to conduct research and demonstrations of the family assistance plan and directed to make annual evaluation reports to the President and the Congress. An appropriation of \$10,000,000 would be authorized for this purpose.

C—Determination of benefits

Uniform determinations

Both Secretaries would be required to apply the same interpretations and applications of fact to arrive at uniform determinations of eligibility and assistance payment amounts under the two family programs.

Eligibility for and amount of benefits

Family benefits would be computed at the rate of \$800 per year for the first two members, \$400 for the next three members, \$300 for the next two members and \$200 for the next member. This would provide \$2,400 for a family of four, and the maximum amount which any family could receive would be \$3,600. A family would not be eligible if it had countable resources in excess of \$1,500.

If any member of the family fails to register, take required employment or training, or accept vocational rehabilitation services, the family benefits would be reduced by \$800 per year.

Benefits would be determined on the basis of the family's income for the current quarter and the three preceding quarters.

After a family has been paid benefits for 24 consecutive months, a new application would be required which would be processed as if it were a new application.

The Secretary could determine that a family is not eligible if it has very large gross income from a trade or business.

Families would have to apply for all other benefits available to them in order to be eligible.

Definition of income

Earned income would follow generally the definition of earnings used in applying the earnings limitation of the social security program. Unearned income means all other forms of income among which are benefits from other public and private programs, prizes and awards, proceeds of life insurance not needed for last illness and burial (with a maximum of \$1,500), gifts, support, inheritances, grants, dividends, interest and so forth.

The following items would be excluded from the income of a family:

1. Earnings of a student regularly attending school, with limits set by the Secretary.
2. Irregular earned income of an individual of \$30 or less in a quarter and irregular unearned income of \$60 or less in a quarter.
3. Earned income used to pay the cost of child care under a schedule prescribed by the Secretary.
4. The first \$720 per year of other earned income plus one-third of the remainder.
5. Assistance based on need received from public or private agencies, except veterans' pensions.
6. Training allowances.
7. The tuition part of scholarships and fellowships.
8. Home produce.
9. One-third of child support and alimony.
10. Foster care payments for a child placed in the family by a child placement agency.

The total of the exclusions under (1), (2), and (3) above could not exceed \$2,000 for a family of four rising by \$200 for each additional member to an overall maximum of \$3,000.

Exclusions from resources

A family cannot be eligible for payments if it has resources in excess of \$1,500. In determining what is included in the \$1,500 amount, the following items are excluded:

1. The home to the extent that its value does not exceed a reasonable amount.
2. Household goods and personal effects not in excess of a reasonable amount.
3. Other property which is essential to the family's self-support.

An insurance policy would be counted only to the extent of its cash surrender value except that if the total face value of all such policies with respect to an individual is \$1,500 or less, no cash surrender value will be counted.

The Secretary would prescribe periods of time, and manners in which, property must be disposed of in order that it would not be included as resources.

Meaning of family and child

A family would be defined as two or more related people living together in the United

States where at least one of the members is a citizen or a lawfully admitted alien and where at least one of them is a child dependent on someone else in the family.

No family will be eligible if the head of the household is an undergraduate or graduate student regularly attending a college or university. Benefits would not be payable to an individual for any month in which he is outside the United States.

The term "child" means an unmarried person who is not the head of the household, and who is either under the age of 18 or under the age of 22 if attending school regularly.

Appropriate State law would be used in determining relationships.

The income and resources of an adult (other than a parent or the spouse of a parent) living with the family but not contributing to the family would be disregarded.

If an individual takes benefits under adult assistance, he could not be eligible for family benefits.

Optional State supplementation

If a State decides to supplement the basic Federal payment, it would be required to provide benefit amounts that do not undermine the earnings disregard provision. A State could agree to have the Federal Government make the supplementary payments on behalf of the State. If a State agrees to have the Federal Government make its supplemental payments, the Federal Government would pay the full administrative costs of making such payments, but if it makes its own payments the State would pay all of such costs.

States could but would not be required to cover under medicaid persons who are made newly eligible for cash benefits under the bill.

The Federal Government, in administering supplemental benefits on behalf of a State, would be required to recognize a residency requirement if the State decided to impose such a requirement.

D—Procedural and general provisions

Payments and procedures

The Secretary would be permitted to pay the benefits at such times as best carry out the purposes of the title and could make payments to a person other than a member of the family or to an agency where he finds inability to manage funds. The Secretary's decision would be subject to hearing and review.

The family benefits could not be paid to an individual who failed to register, or take work, training or vocational rehabilitation.

Cash advances of \$100 or less could be paid if an applicant appears to meet all the eligibility requirements and is faced with a financial emergency.

The Secretary may arrange for adjustment and recovery in the event of overpayments or underpayments, with a view toward equity and avoiding penalizing people who were without fault.

People who are, or claim to be, eligible for assistance payments, and who disagree with determinations of the Secretary, could obtain hearings if they request them within 30 days. Final determinations would be subject to judicial review in Federal district courts, but the Secretary's decisions as to any fact would be conclusive and not subject to review by the courts. The Secretary would also be given authority to appoint qualified people to serve as hearing examiners without their having to meet the specific standards prescribed under the Administrative Procedure Act for hearing examiners.

The right of any person to any future benefit would not be transferable or assignable, and no money payable under this title would

be subject to execution, levy, attachment, garnishment, or other legal process.

In addition, the Secretary would establish necessary rules and regulations dealing with proofs and evidence, and the method of taking and furnishing the same, in order to establish the right to benefits.

Each family would be required to submit a report of income within 30 days after the end of a quarter and benefits would be cut off if the report was not filed. If a family failed, without good cause, to report income or changes in circumstances as required by the Secretary, it would be subject to a penalty of \$25 the first time, \$50 the second time and \$100 for later times.

The head of any Federal agency would be required to provide such information as the Secretary of HEW needs to determine eligibility for benefits under this title.

Penalties for fraud

A penalty of \$1,000 or 1 year imprisonment, or both, would be provided in the case of fraud under the program.

Administration

Both the Secretary of Health, Education, and Welfare and the Secretary of Labor could perform their functions directly, through other Federal agencies, or by contract. An additional Assistant Secretary is authorized in the Department of Labor to head up the new program in that Department.

Child care

The Secretaries of Labor and Health, Education, and Welfare are each given the authority and responsibility for arranging day care for their respective recipients under the Opportunities for Families Program and the Family Assistance Plan who need such day care in order to participate in training, employment, or vocational rehabilitation. Where such care can be obtained in facilities developed by the Secretary of Health, Education, and Welfare, these would be utilized.

Insofar as possible, arrangements would be made for after school care with local educational agencies. All day care would be subject to standards developed by the Secretary of Health, Education, and Welfare, with the concurrence of the Secretary of Labor. Both Secretaries would have authority to make grants and contracts for payment of up to 100 percent of the cost of care. The Secretary of Health, Education, and Welfare would have total responsibility for construction of facilities. \$700 million would be authorized for the provision of child care services in the first fiscal year, and such sums as Congress may appropriate in subsequent years. In addition, \$50 million would be authorized for construction and renovation of child care facilities for each fiscal year.

Obligations of parents

A deserting parent would be obligated to the United States for the amount of any Federal payments made to his family less any amount that he actually contributes by court order or otherwise to the family.

Any parent of a child receiving benefits who travels in interstate commerce to avoid supporting his child would be guilty of a misdemeanor and subject to a fine of \$1,000, imprisonment for 1 year, or both.

The Secretary would report to appropriate officials cases of child neglect or abuse which came to his attention while administering the program.

Local committees to evaluate program

Local advisory committees would be set up throughout the country, with a minimum of one in each State, which would evaluate and report on the effectiveness of the elements of the program designed to help people become self supporting. Each committee would be composed of representatives from labor, busi-

ness, and the public, as well as public officials not directly involved in the administration of the programs.

V. OTHER RELATED ASSISTANCE PROVISIONS ADOPTION AND FOSTER CARE SERVICES UNDER CHILD WELFARE

Authorizations of \$150 million for fiscal year 1972 and higher amounts for subsequent years would be provided for payments to the States to support foster care and related services.

PROVISIONS RELATED TO NEW ASSISTANCE PROGRAMS

Effective date for adult assistance and family programs

Major changes made in the assistance programs would be effective July 1, 1972. The child care provisions would become effective upon enactment of the bill. The amendments which provide benefits to families where the father and mother are both present, neither is incapacitated, and the father is not unemployed (the "working poor") would become effective January 1, 1973.

Prohibition against participation in food stamp program by recipients of payments under family and adult assistance programs

The bill would amend the Food Stamp Act of 1964 by providing that families and adults eligible for benefits under the assistance programs in this bill would be excluded from participation in the food stamp program.

Special provisions for Puerto Rico, the Virgin Islands, and Guam

There would be special provisions for Puerto Rico, the Virgin Islands, and Guam. The amounts used in the family assistance plan and the aid to the aged, blind, and disabled (other than the \$720 amount of annual earnings to be disregarded and the \$30 per month incentive allowances) would be adjusted by the ratio of the per capita income of each of these jurisdictions to the per capita income of the lowest of the 50 States.

Determination of medicaid eligibility

The Secretary would be able to enter into agreements with States under which the Secretary would determine eligibility for medicaid both for those eligible for Federal payments and the medically needy in cases where the State covered the medically needy. The State would pay half of the Secretary's additional administrative costs arising from carrying out the agreement.

Effective date.—July 1, 1972.

Transitional administration of public assistance

The Secretary of Health, Education, and Welfare could enter into agreements with States under which a State would administer the Federal assistance program for a period of up to one year from the beginning of the program.

Limitations on increases in State welfare expenditures

States would be guaranteed that, if they make payments supplementary to the Federal adult or family programs, it would cost them no more to do so than the amount of their total expenditures for cash public assistance payments during calendar year 1971, to the extent that the Federal payments and the State supplementary payments to recipients do not exceed the payment levels in effect under the public assistance programs in the State for January 1971. The value of food stamps would be taken into account in computing whether the guarantee would go into effect if the State pays in cash the value of food stamps. Most States would save money under the provisions of the bill; this

provision would guarantee that no State would lose money.

Limitation on Federal expenditures for social services

The Federal Government would continue to provide 75 percent matching funds to the States for child care and family planning services on an open-end appropriation basis. Federal matching for other specified social services would be limited to the amounts appropriated by the Congress.

PUBLIC ASSISTANCE AMENDMENTS EFFECTIVE IMMEDIATELY

Additional remedies for State noncompliance with provisions of assistance titles

The Secretary would be able to require States to make payments to people who did not receive all money due them because the State failed to comply with a Federal requirement.

The Secretary could require a State which is in noncompliance with a Federal requirement to set up a timetable and method for assuring compliance, or could request the Attorney General to bring suit to enforce the Federal requirements.

Effective date.—Enactment.

Statewidehood not required for services

A State would be permitted to furnish social services in one area of a State without being required to furnish such services in all geographic areas of the State.

Effective date.—Enactment.

Optional modification in disregarding income under AFDC

States would be permitted, between enactment and July 1, 1972, to modify their present AFDC programs so as to substitute the earnings disregard provisions in the family assistance provisions (cost of child care, plus \$720, plus one-third of the remainder) for provisions of present law (the first \$30 and one-third of the remainder after which actual work expenses are deducted).

A State could also apply the maximum dollar limits in the family programs on child care and student earnings (\$2,000 for a family of four rising to \$3,000 for a family of nine or more) to its present AFDC program.

Effective date.—Enactment.

Individual programs for family services not required

States would no longer be required to prepare a separate plan of services for each individual who is eligible for AFDC.

Effective date.—July 1, 1972, or earlier if the State so chooses.

Enforcement of support orders

States would be required to secure support for a spouse of a parent from the other parent (of children receiving assistance payments) where he has deserted or abandoned his spouse, utilizing reciprocal arrangements with other States to obtain or enforce court orders for support.

Effective date.—July 1, 1972, or earlier, if the State plan so provides.

Separation of social services and cash assistance payments

Each State would be required to submit a proposal to the Secretary by January 1, 1972 providing for the administrative separation of handling eligibility for cash payments and the provision of social services by July 1, 1972.

Increase in Federal matching to States for costs of establishing paternity and collecting child support payments

Federal matching would be increased from 50 percent to 75 percent for State costs incurred in establishing the paternity of AFDC children and locating and collecting support from their absent parents.

Effective date.—Enactment.

Vendor payments for special needs

States would be permitted to provide for non-recurring items of special need by means of vendor payments.

Increase in Federal matching—WIN program

Effective immediately, the Federal matching under the WIN program would be increased from 80 to 90 percent. This provision expires June 30, 1972.

VI. PROVISIONS FOR TAX CHANGES (OTHER THAN PAYROLL TAXES)

Child care deduction

Under present law, a child care deduction of \$600 per child, but not more than \$900, is available for child care expenses in certain cases. Generally, this amount is available in the case of such expenses incurred by a widow or widower or certain other married couples with an incapacitated spouse and also in the case of married couples with incomes of not over \$6,000.

The new provision retains the basic child care provision of present law but increases from \$6,000 to \$12,000 the income a married couple may have and still be eligible for this deduction. In addition, the amount of child care expenses which may be deducted is increased from \$600 for the first child to \$750, and to \$1,125 for two children, and to \$1,500 for three or more children. These changes are effective with respect to taxable years beginning on or after January 1, 1972.

Retirement income credit

Under present law, a retirement income credit of up to \$1,524 multiplied by 15 percent (\$229) is allowed for single persons age 65 or over having "retirement income"—that is, income from pensions, dividends, interest, rents or other passive income sources. However, this credit is available only if the individual had ten prior years of earned income above \$600. The income eligible for this credit is reduced, however, by social security, railroad retirement or other tax-exempt pension income. It is also reduced by 50 percent of earnings over \$1,200 and 100 percent of earnings over \$1,700. (This earnings limitation, however, does not apply to those age 72 and over.) For married couples a credit equal to one and one-half times the credit referred to above is generally available under present law. However, in some cases where both can qualify for the credit a credit of up to twice that referred to above is available.

In addition, under present law, the retirement income credit determined substantially as indicated above is available for retirement income received from governmental units where the individual is under age 65, except that the credit is reduced on a dollar-for-dollar basis for earnings above \$900 (between age 62 and 65 the earnings test described above applies).

The committee has adopted a substitute retirement income credit which is both more liberal and also will be easier to compute on the return form. This credit for a single person will be based upon \$2,500 instead of \$1,524. It will not be necessary for the individual involved to have "retirement income" as he is required to have under present law or 10 years of prior earnings of \$600 or more. However, as under present law, the \$2,500 will be reduced for social security, a railroad retirement and other tax-exempt pension income. Also, as under present law, it will be reduced for earned income above a specified level (if the individual is under age 72). However, the amount will only be reduced for 50 percent of earnings above \$2,000 instead of 50 percent of earnings above \$1,200 plus 100 percent of earnings above \$1,700.

As under present law, the amount derived in this manner is multiplied by 15 percent in order to obtain the credit (the

new figure gives a maximum credit of \$375).

For a married couple, both over age 65, the retirement income credit is to be based upon \$3,750 instead of the \$2,500 applicable to a single person. Otherwise the credit is to be computed in the same manner indicated above except on the basis of the combined experience of the husband and wife.

For those below age 65 receiving Government pension income the \$2,500 also becomes applicable but, as under present law, only with respect to Government pension income. The earnings test for these persons is raised from \$900 to \$1,000 if under age 62 but for those above that age, the \$2,000 earnings test applies.

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

Mr. MILLS of Arkansas. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

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. 1) to amend the Social Security Act to provide increases in benefits, improve computation methods, and raise the earnings base under the OASDI program, to make improvements in the medicare, medicaid, and maternal and child health programs with emphasis on improvements in their operating effectiveness, to authorize a family assistance plan providing basic benefits to low-income families with children with incentives for employment and training to improve the capacity for employment of members of such families, to achieve more uniform treatment of recipients under the Federal-State public assistance programs and otherwise improve such programs, and for other purposes, had come to no resolution thereon.

ADJOURNMENT TO 11 A.M. TOMORROW

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

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

Mr. GROSS. Mr. Speaker, reserving the right to object, why should we come in at 11 o'clock tomorrow?

Mr. MILLS of Arkansas. Mr. Speaker, will the gentleman yield?

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

Mr. MILLS of Arkansas. As my friend from Iowa knows, I always try to accommodate the Members. As the gentleman can see, we have some 7 hours of debate remaining. I am under instruction from the leadership to dispose of this bill tomorrow.

If we can come in at 11 o'clock, though I cannot give the gentleman assurance I have a good feeling that we could get through by 6 o'clock tomorrow afternoon with our vote. I do not like ever to hold

the House in session beyond 6 o'clock for a record vote, and we will have a record vote on the passage of the bill, at least, tomorrow.

I would hope the gentleman would let us come in at 11 o'clock under those circumstances.

We have three appropriation bills, do we not, to consider this week, behind this bill?

Mr. BOGGS. Two this week. One on Wednesday and one on Thursday.

Mr. MILLS of Arkansas. I do not want to carry over until Wednesday, if I can possibly avoid it. I made a commitment to the Speaker that we would dispose of this bill in 2 days.

Mr. GROSS. Of course the distinguished majority leader and the gentleman from Arkansas well know when we come in at 11 o'clock in the morning it usually busts up committee meetings and therefore slows down the input of legislation from the committees. But I assume that has all been carefully gone over and that everything is lovely and the goose hangs high so far as legislation coming to the floor is concerned. I hope so.

Mr. Speaker, I withdraw my reservation.

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

There was no objection.

INCREASES IN THE NUMBER OF WELFARE RECIPIENTS THROUGHOUT THE COUNTRY

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

Mr. ROBERTS. Mr. Speaker, almost every day the news media is reporting increases in the number of welfare recipients throughout the country. Just today we have read the announcement by HEW that there has been a 50 percent—3½ million people—addition just since the President called for welfare reform in August 1969.

After a thorough investigation of welfare cases before the courts in Dallas County, Dick West, editorial director of the Dallas News brought to light some shocking examples of abuse of the present welfare system which appeared in his June 13 column.

These examples are not unique to Dallas. In fact some of the States have the same situations multiplied many times over. Therefore, before we begin consideration of H.R. 1 today, I want to urge my colleagues to study the points brought out by this perceptive reporter:

IN JUNIOR HIGH AND ON WELFARE

(By Dick West)

What follows in this column is the result of 15 weekends of study and personal investigation into the welfare racket—specifically, Aid for Dependent Children (AFDC) which has become the major abuse all over the country.

We spent those Saturdays and parts of Sundays in Justice of the Peace Bill Richburg's court.

The welfare story comes out in peace bond

hearings. This is an example: A man leaves his wife and four children and moves in with his girl friend, who's on welfare. The family he leaves then must go on welfare.

He and his new girl friend have a ball—at taxpayers' expense. The two of them live on her welfare check, with his personal income as gravy.

But before long they start fighting—then she goes to Richburg to have him put under a peace bond, because he has threatened to kill her or has beaten her up.

In her anger, she then tells how she has been supporting him on her welfare money. Chances are, he may be carrying his new girl friend and her children as deductions on his income tax.

In the meantime, the wife and children he left are on welfare and a new boy friend finds it out and moves in with her.

When one of these men is asked by Judge Richburg why he doesn't support the family he left, often this is the reply: "I ain't going to give her money long as she's on welfare."

Seven out of 10 cases showing up in Richburg's court involves blacks. In many cases, the man who leaves his family for a new girl friend on welfare leaves his job, too, because he has a new living at taxpayers' expense.

If this abuse could be eliminated, it has been estimated that the families who really deserve help could get twice as much as they are getting now and the cost of the whole program would be reduced.

The AFDC scandals make Sharpstown look like peanuts—yet those who screamed about this case in the Legislature are curiously silent about welfare.

In the cases that follow, the numbers denote the peace bond jacket. Details were taken personally as the complaining party stood before the judge, or were taken from sworn affidavits in the personal file of Ann Wilson, the judge's secretary. Names and addresses can be obtained on the peace bond papers.

Terms like "colored male" are used because that is the phraseology in the peace bond jacket.

Case No. 76974: Colored male left wife and two children in California but is now married to a Dallas woman who has some children by another man. Now he's left the Dallas woman to live with new girl friend on Park Row who has two children but doesn't know who their father is. He makes \$125 a week; woman he left is on welfare, new girl friend is on welfare, wife in California is on welfare.

Case No. 76534: Colored female says husband beats her, knifes her, won't work. She has eight children, receives \$236 a month in welfare. Husband says she gets \$270, that he keeps the children, that she stays gone three weeks at a time "but shows now and then" to bring him \$20 for food.

Civil case 1476: Colored female quit good job at Texas Instruments, left husband who makes \$144 a week, took mortgage furniture and went to a housing project where she pays only \$30 a month for 2-bedroom apartment. She now draws \$179 a month in welfare, claims five children to get the \$179, but husband contends he supports two of them. She left and went on welfare a year ago. When she left her husband for a "new life" their combined incomes were \$900 a month.

Sworn affidavit: Colored female is not married, attends Rusk Junior High and has a child nine months old by an 18-year-old boy, also in school. She lives with a guardian and gets \$68 a month.

Case 75618: Colored female, 27, gets \$190 a month in welfare, has had five children in six years. She says her husband makes \$190 a week. She got on welfare when they separated, but they went back together and she stayed on it. For a while, they had com-

bined income of \$900 a month, counting welfare.

Case 76809: White male 29, got divorce last December, agreed to pay \$50 a week child support, claims he's paid it. They went back together a while, then broke up again in April. He claims he's paid nearly all the bills in this period but that she continued to draw \$170 a month in welfare. He was told she got another \$63 for an apartment, plus food commodities.

There are scores more like these—including the colored female in Pennsylvania who was getting \$235 a month in welfare for six children—all illegitimate—and had a boy friend making \$200 a week who carried her and the kids on his income tax. She testified she had six wigs and bought him two pairs of alligator shoes at \$125 each with welfare money. She came to Richburg when he pulled a pistol on her in a fight and made the children get down on their knees and kiss his feet.

Nobody wants innocent children to go hungry. That's the difficult part of this racket: The children are the pawns.

But the whole story is a snowballing affair—more and more going on welfare every day, even quitting good jobs so they can loaf and have new affairs.

Richburg's lectures to these people about "irresponsibility" have cut down on the flow and must have saved the taxpayers hundreds of thousands in this one JP court.

The flow of shocking cases has decreased a little.

But widespread investigation would do more than anything else to curb the racket; that, plus indictments.

To repeat, in cases cited above details came in peace bond hearings before the judge or in sworn affidavits. If these details prove to be untrue or exaggerated, then those giving testimony lied.

But if the taxpaying public could have heard what we heard on 15 Saturdays, there would really be a massive adverse reaction.

HEARINGS ON U.S. GOVERNMENT INFORMATION POLICIES AND PRACTICES

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

Mr. MOORHEAD. Mr. Speaker, the Foreign Operations and Government Information Subcommittee of the House Government Operations Committee will begin a most important and timely series of hearings on U.S. Government information policies and practices, beginning Wednesday morning June 23.

The leadoff witness dealing with the broad constitutional aspects of the freedom of information issue will be former Supreme Court Justice Arthur Goldberg. Other witnesses on Wednesday will include Prof. Joseph Bishop of the Yale University Law School and the Honorable Lee White, former special counsel to President Kennedy and later Chairman of the Federal Power Commission.

I also announce to the House that pursuant to this investigation, I have requested on behalf of the subcommittee and the Congress as a whole, a full and complete set of all volumes making up the so-called "history of the decision-making process in Vietnam." A copy of my letter to Secretary of Defense Laird

in this regard will be included in the RECORD at the conclusion of my remarks.

Mr. Speaker, the constitutional right of the legislative branch to receive documents, reports, and others types of classified as well as unclassified information from the executive, must be constantly exercised if we are to fulfill our duties as elected representatives of the American people. Many Members have become increasingly alarmed by the manifestations of erosion of public confidence in Government at all levels, triggered in part by violent attacks on the news and broadcasting media by top administration officials. These attacks have been accompanied by both subtle and heavy-handed restrictions by the executive on the free flow of information to the Congress and to the public through the mass media. Examples include the current New York Times and Washington Post cases and the refusal to provide congressional committees with vitally needed documents on Vietnam.

All Members are fully conscious of the important need for safeguarding vital defense security. Congress has enacted many laws to deal with this defense requirement and such laws have been fully implemented by Executive orders and regulations to govern the handling, dissemination, use, and periodic declassification of such information.

Fine constitutional as well as operational lines have been drawn between the national security requirements, on the one hand, and the need for an informed electorate, on the other, in the exercise of a free press under the first amendment. Our hearings will explore every facet of this complex constitutional issue, for background purposes as well as the administrative and legislative details of Government information procedures.

We welcome statements or testimony from our colleagues in the House and Senate on this vital subject of concern to us all, and have reserved one complete day for witnesses from the legislative branch. The subcommittee would particularly like to have suggestions from our colleagues as to how present government information problems in security classification cases can be more adequately handled in the public interest. We will explore both the need for additional legislation and the ways in which present security classification machinery in the executive branch could be improved.

Mr. Speaker, during the more than 15 years of distinguished leadership and service by my predecessor as chairman—the gentleman from California (Mr. Moss)—this subcommittee has diligently exercised both its legislative and investigative authority in the freedom of information field. Investigative work by this subcommittee during the 1950's resulted in the release of significant amounts of information by the executive branch to the Congress—information valuable in the discharge of our constitutional responsibilities. Other information, often withheld by a reluctant bureaucrat to avoid embarrassment, was released to the press after subcommittee

prodding. Over the years, thousands of pieces of information have been pryed loose by subcommittee efforts against bureaucratic redtape for Members of Congress, news reporters, broadcasters, scholars, and the average citizen. The subcommittee has in effect, served as a government information ombudsman for many years—long before that term came into common usage.

Subsequent work of the subcommittee led to vast improvements in the administrative machinery dealing with classified security material and in the periodic downgrading of such information. Amendments by President Kennedy to Executive Order 10501 and his issuance of Executive Order 10964 in 1961 had been recommended by reports of the subcommittee. In addition to the impact of these actions in advancing the "right to know," they saved many millions of taxpayers' dollars in the cost of handling, storing, classifying, and use of sensitive documents by the executive branch.

Mr. Speaker, 12 years of solid investigative achievement were climaxed by the enactment of the Freedom of Information Act—5 U.S.C. 522—which became effective on July 4, 1967. The legislation advanced by our subcommittee and the Government Operations Committee has helped to open the doors of the bureaucracy to permit the greater freedom of access to nonexempt types of information in countless numbers of cases over the past 4 years.

We are proud of the fact that this subcommittee has been equally diligent and persistent in fulfilling its Government information mandate during the 9 years it has functioned with Republicans in the White House and the 8 years when Democrats controlled the executive branch. In word and deed—in operations and investigations—we are truly bipartisan in the exercise of our freedom of information duties and responsibilities to the House and to the public as a whole.

Mr. Speaker, I include at this point in the RECORD the documents previously mentioned and also insert the correspondence between then Chairman Moss of this subcommittee and President Nixon early in 1969. These letters describe the policies of Presidents Kennedy and Johnson, limiting "Executive privilege" invocation and sets forth the present administration's pledge to continue such narrow limitation. Our subcommittee will also explore during the forthcoming hearings the extent to which the Nixon administration has carried out the intent of the President's memorandum of April 7, 1969, to the heads of executive departments and agencies, which established a procedure to govern compliance with congressional demands for information.

The documents follow:

JUNE 18, 1971.

HON. MELVIN R. LAIRD,
Secretary of Defense,
Washington, D.C.

DEAR MR. SECRETARY: This is to request formally that you furnish this Subcommittee, not later than close of business, Tuesday, June 22, 1971, with a full and complete set of all volumes making up the "history of the decisionmaking process in Vietnam."

These documents are required for Subcommittee use in connection with the forthcoming hearings on U.S. government information policies and practices, scheduled to begin at 10 A.M., Wednesday, June 23, 1971. For your information, I am enclosing a copy of the Committee news release describing the scope and purposes of these hearings.

I am also enclosing the exchange of correspondence between President Nixon and Congressman John E. Moss, then Chairman of this Subcommittee, which sets forth the President's official policy and implementing Memorandum for the Heads of Executive Departments and Agencies governing procedures to govern compliance with Congressional demands for information. Under these procedures, the Subcommittee is clearly entitled to receive the above captioned document, since the President has not invoked "Executive privilege" with respect to this document.

Please make certain that the copy furnished to the Subcommittee contains the original physical markings, designations, notations, group classification, and similar classification information required in the applicable Department of Defense instructions for "Security Classification of Official Information."

With best regards,
Sincerely,

WILLIAM S. MOORHEAD,
Chairman.

FOREIGN OPERATIONS AND GOVERNMENT INFORMATION SUBCOMMITTEE OF THE COMMITTEE ON GOVERNMENT OPERATIONS

Washington, D.C., January 28, 1969.

HON. RICHARD M. NIXON,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: The claim of "executive privilege" as authority to withhold government information has long been of concern to those of us who support the principle that the survival of a representative government depends on an electorate and a Congress that are well informed.

As you know, some administrations in the past made it a practice to pass along to Executive branch subordinates a discretionary authority to claim "executive privilege" as a basis to refuse information to the Congress. The practice of delegating this grave Presidential responsibility was ended by President John F. Kennedy when he restored a policy similar to that which existed under previous strong administrations, including those of Presidents George Washington, Thomas Jefferson and Theodore Roosevelt. In a letter to the Foreign Operations and Government Information Subcommittee, dated March 7, 1962, he enunciated the policy as follows:

"... this Administration has gone to great lengths to achieve full cooperation with the Congress in making available to it all appropriate documents, correspondence and information. That is the basic policy of this Administration, and it will continue to do so. Executive privilege can be invoked only by the President and will not be used without specific Presidential approval."

President Lyndon B. Johnson informed the Subcommittee by letter, dated April 2, 1965, he would continue the policy enunciated by President Kennedy. He stated:

"Since assuming the Presidency, I have followed the policy laid down by President Kennedy in his letter to you of March 2, 1962, dealing with this subject. Thus, the claim of 'executive privilege' will continue to be made only by the President."

In view of the urgent need to safeguard and maintain a free flow of information to the Congress, I hope you will favorably consider a reaffirmation of the policy which

provides, in essence, that the claim of "executive privilege" will be invoked only by the President.

Sincerely,

JOHN E. MOSS,
Chairman.

THE WHITE HOUSE,
Washington, April 7, 1969.

Hon. JOHN E. MOSS,
Chairman, Foreign Operations and Government Information Subcommittee, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Knowing of your interest, I am sending you a copy of a memorandum I have issued to the heads of executive departments and agencies spelling out the procedural steps to govern the invocation of "executive privilege" under this Administration.

As you well know, the claim of executive privilege has been the subject of much debate since George Washington first declared that a Chief Executive must "exercise a discretion."

I believe, and I have stated earlier, that the scope of executive privilege must be very narrowly construed. Under this Administration, executive privilege will not be asserted without specific Presidential approval.

I want to take this opportunity to assure you and your committee that this Administration is dedicated to insuring a free flow of information to the Congress and the news media—and, thus, to the citizens. You are, I am sure, familiar with the statement I made on this subject during the campaign. Now that I have the responsibility to implement this pledge, I wish to reaffirm my intent to do so. I want open government to be a reality in every way possible.

This Administration has already given a positive emphasis to freedom of information. I am committed to ensuring that both the letter and spirit of the Public Records Law will be implemented throughout the Executive Branch of the government.

With my best wishes.

Sincerely,

RICHARD NIXON.

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

(Establishing a procedure to govern compliance with congressional demands for information)

The policy of this Administration is to comply to the fullest extent possible with Congressional requests for information. While the Executive branch has the responsibility of withholding certain information the disclosure of which would be incompatible with the public interest. This Administration will invoke this authority only in the most compelling circumstances and after a rigorous inquiry into the actual need for its exercise. For those reasons Executive privilege will not be used without specific Presidential approval. The following procedural steps will govern the invocation of Executive privilege:

1. If the head of an Executive department or agency (hereafter referred to as "department head") believes that compliance with a request for information from a Congressional agency addressed to his department or agency raises a substantial question as to the need for invoking Executive privilege, he should consult the Attorney General through the Office of Legal Counsel of the Department of Justice.

2. If the department head and the Attorney General agree, in accordance with the policy set forth above, that Executive privilege shall not be invoked in the circumstances, the information shall be released to the inquiring Congressional agency.

3. If the department head and the Attorney General agree that the circumstances

justify the invocation of Executive privilege, or if either of them believes that the issue should be submitted to the President, the matter shall be transmitted to the Counsel to the President, who will advise the department head of the President's decision.

4. In the event of a Presidential decision to invoke Executive privilege, the department head should advise the Congressional agency that the claim of Executive privilege is being made with the specific approval of the President.

5. Pending a final determination of the matter, the department head should request the Congressional agency to hold its demand for the information in abeyance until such determination can be made. Care shall be taken to indicate that the purpose of this request is to protect the privilege pending the determination, and that the request does not constitute a claim of privilege.

RICHARD NIXON.

HUBERT HUMPHREY AND THE SECRET PENTAGON REPORT

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

Mr. SCHERLE. Mr. Speaker, many people are finding it hard to believe that Senator HUBERT HUMPHREY as Vice President of the United States was not aware of the various behind-the-scenes events leading to the escalation of the Vietnam war. Mr. HUMPHREY has denied any knowledge of the very damaging disclosures by the New York Times this week obtained from a top secret Pentagon report dealing with the early stages of the war. Suspicions surrounding HUMPHREY's "shock" and "surprise" are especially widespread among those who view his public innocence in the light of his unannounced bid for a second try at the Presidency. Said Senator HUMPHREY when interviewed this week on the CBS Morning News:

I was as shocked and surprised as any other citizen. It makes you wonder how those decisions were made.

There is little doubt in the minds of most HUMPHREY-watchers that Senator HUMPHREY in his public pronouncements of this week, is engaging in more of the very same public evasiveness and deception revealed by the report about the Johnson-Humphrey administration. His innocence is unconvincing and few Americans accept his explanation. To believe that the Vice President of the United States, a man just a heartbeat away from the Presidency, was unaware of the behind-the-scenes evolution of the most important single preoccupation of the Johnson-Humphrey administration, is more than most people can imagine. If Mr. HUMPHREY is leveling in this instance, and most believe that he is not, then he must be, by implication, criticizing Lyndon Johnson for failing to discharge one of the most basic responsibilities of the Office of the President. In either event his statements are distressing to most Americans.

Senator HUMPHREY has been running hard for the Presidency and obviously sees nothing but bad news in the series of articles run by the New York Times. Sen-

ator HUMPHREY's disclaimers come at a time when the entire Nation and the world await judicial determination as to future publication of articles by the Times. Perhaps he knows something that the public does not. There just might be some indication of Senator HUMPHREY's behind-the-scenes role in getting America involved in the Vietnam conflict in the unpublished articles.

Unconvincingly Senator HUMPHREY remarked, "You sort of wonder if we're getting all the information." It is clear that the Senator either knew that he was supposed to hush up the escalation of the war in 1965, or was incredibly naive in not asking his boss for a briefing in the matter; 1965 was the year that America's troop strength in South Vietnam jumped from a mere 17,000 to 185,000 men. Senator HUMPHREY fails to state publicly whether or not he ever bothered to ask President Johnson what his policy was in Southeast Asia and what his basis was for that policy. It is clear that Senator HUMPHREY is still refusing to stand fore-square before the American people with the truth.

Furthermore, one wonders about Senator HUMPHREY's failure to publicly discuss the issue in its most basic terms during his unsuccessful bid for the Presidency in 1968. Instead of presenting the Johnson-Humphrey administration's true basis for escalating the action in Southeast Asia, the Vice President chose instead to evade the war issue and to publicly support Lyndon Johnson. He never complained that he was not being informed of the policy decisions during the crucial years from 1964 to 1968, nor that he was not fully aware of his administration's justification for proceeding the way it did.

Certainly it is not too much for the American people to expect that their Vice President should insist on keeping fully abreast of matters involving grave issues of war and peace. The cost of the Vietnam war in lives and treasures should have been sufficient justification for Mr. HUMPHREY to act more responsibly. Perhaps if he had taken the time and insisted on full access to matters relating to the war, America might not have made so many of the tragic errors that it did during the Johnson-Humphrey years. For Senator HUMPHREY to state before the American people, particularly those who have lost fathers, sons and brothers in the war, that he was not aware of the behind-the-scenes activities preceding each escalation of the war is a travesty indeed. The American people no longer will tolerate such deception, and it is apparent that Mr. HUMPHREY will be called upon to fully explain himself as a result of the New York Times disclosure.

It would behoove the American people to challenge Senator HUMPHREY on this issue. He is actively seeking his party's nomination for the Presidency. If he earns that nomination, then he should be called upon to state his role in escalating America's involvement in the Vietnam war, and to explain his utterly unbelievable assertions of this week that

he was unaware of what was going on around him. The Democratic Party has much soul-searching to do in this matter. The Office of the Presidency is no longer a place for secretive and deceptive conduct. The war in Vietnam bears witness to the tragic results flowing from such practices.

Senator HUMPHREY owes an obligation to the American people to publicly explain himself. The people have entrusted him with serious responsibilities as Vice President and U.S. Senator. They deserve more than misleading innocence and deception.

USDA BOOSTING SOYBEAN SHIPMENTS TO GULF PORTS

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

Mr. MAYNE. Mr. Speaker, I want to commend the Department of Agriculture for filing its withdrawal this morning from a rail freight rate case pending in the U.S. district court at Dallas. This action is in keeping with the Nixon administration's program of increasing farm exports in many ways including facilitating the less costly movement of midwestern soybeans to gulf ports.

The Department had previously intervened in the suit hoping to obtain lower freight rates for shipments to Corpus Christi equalizing them with reduced rates already in effect to Galveston and Houston. This was a matter of great importance to Iowa soybean farmers whose ability to ship to gulf ports for export had been greatly enhanced by an earlier ICC decision authorizing lower rates to the latter two ports. We wanted to be very sure that departmental intervention would not endanger these advantageous rates already in effect.

During the past months two Assistant Secretaries—Lyng and Palmby—have repeatedly assured me they had no intention of jeopardizing the existing reduced rates and would take whatever steps were necessary to prevent any adverse effect on Iowa soybean shipments. At my suggestion and that of Senator MILLER, Assistant Secretary Lyng and other Department officers went to Des Moines on June 4 to discuss the situation with Governor Ray, officials of grain organizations, farmers, and railroad representatives. It became evident at this meeting and subsequently that the Rock Island Railroad would cancel the existing lower rates to Galveston and Houston if ordered by the court to apply them to Corpus Christi. The Department has therefore withdrawn from the case in order not to jeopardize the reduced rates already being utilized so effectively to move Midwest soybeans to port.

Today's action by the Department is indeed good news for Iowa farmers. It marks a continuation of the administration's vigorous promotion of soybean exports which has already helped strengthen the market. The remarkable rise of soybean exports to an alltime

high in 1970 and the accompanying rise in mid-June prices are shown in the following table:

Calendar year:	Total exports (million bushels)	Mid-June market price (No. 2 soybeans in central Iowa)
1967	266.6	\$2.67
1968	286.8	2.52
1969	311.2	2.49
1970	435.0	2.56
1971	-----	13.02

† Today.

RESOLUTION OF INQUIRY

(Mrs. ABZUG asked and was given permission to address the House for 1 minute, to revise and extend her remarks and include extraneous matter.)

Mrs. ABZUG. Mr. Speaker, I rise to inform my colleagues of the introduction of a privileged resolution of inquiry which asks the President to provide to the Members of this House the complete text of the 1968 Vietnam Task Force report entitled "United States-Vietnam Relationships 1945-1967." I and my co-sponsors, Mr. McCloskey, Mr. Riegle, Mr. Halpern, Mr. Harrington, Mr. Delums, Mr. Badillo, Mr. Hechler, Mr. Stokes, Mr. Ryan, and Mr. Addabbo believe that it is absolutely essential that each Member receive this information as quickly as is humanly possible.

I do not think that it would be in order at this time for me to comment upon the controversy regarding the publication of portions of this document in the public press. That question is presently before the courts, and it is for them to determine whether the information contained in the report may be published in the newspapers; some Congressmen, including myself, are intervening in those proceedings.

But making this study available to Members of Congress is a different matter entirely.

Under our Constitution, the Congress has a responsibility in the making of foreign and military policy which is as important as that of the President. Like the people, the Congress has relied upon the public statements of administrations over the past 20 years in formulating its position regarding American involvement in Southeast Asia. We relied upon this information not because we felt ourselves entitled to no more, but because we thought that it was the truth.

We have a right to expect that our administrations will be frank and honest with us, so that we may properly fulfill our responsibilities.

If our administration weaves a sordid tale of double-dealing and deceit, we must know that too, in order that we may consider whether we wish to change our position in light of the true situation. The possibility that in reading this document we may discover that lies have been deliberately disseminated by our Nation or its allies makes it all the more imperative that we obtain and study it as soon as

we can, for to do any less is to abdicate our constitutional duty.

If adopted, this privileged item should guarantee that we receive the information to which we are entitled. It must be reported out of committee within 7 legislative days and then voted on immediately by the House. The administration would have 15 days after its adoption in which to respond, with its report going first to the Speaker and then to the House as a whole.

This resolution draws upon over 100 years of precedent, the most recent example of which is Representative John Lodge's 1950 resolution seeking information from the Department of State on the question of Formosa.

Mr. Speaker, having access to this information will be of inestimable value in helping the Congress to fulfill its responsibility as a partner in the formulation of military and foreign policy. I urge the adoption of this resolution.

THE SHARPSTOWN FOLLIES—ACT II

The SPEAKER. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 1 hour.

Mr. GONZALEZ. Mr. Speaker, it is extraordinary that the Department of Justice has arranged not to bring Frank Sharp to trial. After all, Mr. Sharp is named as the principal wheeler and dealer in one of the most spectacular scandals in the history of the Nation. Losses of millions of dollars have been attributed to the machinations of this man; he has been accused of enriching various State officials in Texas; he has been accused of systematically looting companies; and the folding of his bank, the Sharpstown State Bank, revealed practices that are shocking even to the most hardened observer. And yet the Department of Justice declines to bring him to trial, and instead has arranged for him to enter a plea of guilty to a more or less technical violation of law, and to be fined \$5,000. So Mr. Sharp will never be tried for most of the offenses he is accused of, at least in any criminal charge.

The actions of the Department of Justice were handled at the highest level. The Deputy Attorney General himself, Mr. Kleindienst—who is in line to become Attorney General when his boss leaves to resume full-time politicking—pulled the strings.

The normal course of events would have the Assistant Attorney General responsible for making these decisions. But the Assistant Attorney General, it is said, has disqualified himself from the case, because he had prior acquaintance with Mr. Sharp.

The truth is that Mr. Kleindienst arranged the deal with Sharp to protect his immediate subordinate, Wilson. It may well be that in this case the prosecutor may be guilty of some of the crimes he is charging others with committing.

By not prosecuting Sharp vigorously, the Department of Justice apparently hopes to keep the public from ever learning the relationship that its own Assistant Attorney General had with Sharp.

Moreover, by going after indictments and convictions of Texas officials who had dealings with Sharp or in his companies, the Department apparently hopes to convince everyone that it is thoroughly cleaning house. They seem to hope that in all the excitement of the forthcoming indictments, no one will notice that the biggest fish got away.

It may be that the Assistant Attorney General and his bosses do not want too much to be known of the fact that the then member of the Texas State Banking Commission, Will Wilson, voted with great enthusiasm to create the Sharpstown State Bank, in which Frank Sharp was principal stockholder, as he remained until the bank collapsed early this year in the midst of spectacular scandal.

Wilson voted to create the Sharpstown Bank in 1960. After that he did legal work for Frank Sharp. It was Wilson who helped Sharp acquire 518,000 shares of the National Bankers Life Insurance Co. in June 1968. In this transaction Wilson handled negotiations for Sharp. It was this same National Bankers Life stock that subsequently was apparently used in various frauds and schemes attributed to Sharp and his friends, during which the stock of the company went from \$9 a share to \$29 a share; it sells today for about \$3 a share. It is possible that Will Wilson was a stockholder in this same National Bankers Life Insurance Co.; he probably was, in view of his role in the transfer of the company from one group to another. It is likely too, that Wilson traded in this stock; he might even have had good reason to know that his friend and client was not exactly playing by the rules of the game. Could it be that the Department of Justice wants to conceal all this? Certainly the best way to accomplish that is to come to a deal with Sharp, so that no one need ever know about the dealings their own Will Wilson had with him.

Mr. Wilson, as a private attorney, handled one of the biggest deals ever made by Frank Sharp, the very deal that enabled him to enter into spectacular stock manipulations later on. I can only wonder whether he has negotiated yet another deal for his erstwhile client—this time to escape criminal prosecution for deals Mr. Wilson helped make possible in the first place.

One thing is clear: the Department of Justice has made a deal with Frank Sharp, and he is safe now from criminal culpability.

This deal was made without the knowledge or consent of the Securities and Exchange Commission, which investigated the matter originally. The otherwise zealous local U.S. attorney in Houston said that he had not contacted SEC about the plea bargaining because the SEC representatives were antagonistic toward Sharp. What else could they be? So what? Of course, only a few hours after the SEC expressed shock and dismay over the fantastic bargain struck between Sharp and the U.S. attorney, and the prosecutor in his turn criticized

the SEC staff, Kleindeinst saw to it that all sides denied anybody had said anything. So officially, everybody is happy, but in fact the SEC is aghast at the action of the Department of Justice in handling this case.

Now why did the Department of Justice make this deal with Sharp?

It seems that Mr. Sharp is to be given immunity in exchange for his help in securing indictments and convictions of a number of Texas officials he dealt with. In other words, it looks as if the Federal Government wants to hang those who might have been corrupted, but let the corrupter go free.

The Government is going to tell us that it would be impossible to get indictments against these officials without the help of Mr. Sharp. The truth is that they could have proceeded without his help, and without this malodorous deal. They need Mr. Sharp, but not for these prosecutions. They need his silence to protect their own Assistant Attorney General.

The truth may never be known about Sharp and all his dealings. If that happens it will be at the instance and motion of the Department of Justice itself, through decisions made at the highest level in that Department.

In a few days, the Department will announce that it has secured indictments against a number of high State officials in Texas for their dealings in stocks manipulated by Frank Sharp. They will not announce that they will not try to enter criminal prosecution of Sharp himself. Their dragnet has a hole that lets the big fish get away—and the hole was put there by the Department of Justice itself, not in the interest of justice, but in the interest of protecting its own hierarchy from exposure.

TAKE PRIDE IN AMERICA

The SPEAKER. Under a previous order of the House, the gentleman from Ohio (Mr. MILLER) is recognized for 5 minutes.

Mr. MILLER of Ohio. Mr. Speaker, today we should take note of America's great accomplishments and in so doing renew our faith and confidence in ourselves as individuals and as a nation.

With so much to be thankful for here in the United States, let us today express our appreciation for those farsighted Members of the Congress who, 54 years ago, created the farm credit system. Today, this system is the annual source of over \$12 billion in loans to farmers and their cooperatives to produce food and fiber for every American and for millions of people around the world. The system is one of the most enlightened, progressive creations in American agriculture and is a model for dozens of underdeveloped countries who send their officials here for farm credit system training. A network of farmer-owned banks and associations, the system has been the stalwart friend of the farmer through the bleakest and best years of American agriculture. It provides a unique way of channeling money to the

farmer, without costing the American taxpayer a single cent. And let us take pride in the farmer-owners of this great system, who 2 years ago finished paying back to the U.S. Government every dollar of Federal "seed money." This kind of frugality and financial responsibility is what made America great. The system began right here in the House and is today an American self-help success story.

THE PENTAGON PAPERS

The SPEAKER. Under a previous order of the House, the gentlewoman from Massachusetts (Mrs. HECKLER) is recognized for 5 minutes.

Mrs. HECKLER of Massachusetts. Mr. Speaker, there are a number of very fundamental issues in the cases of the United States against the New York Times and the United States against the Washington Post to which I feel compelled to address myself.

It almost does not matter that the actions involve the so-called Pentagon papers, the history of the origin and development of the Indochina war. It would be the same if it were preliminary census figures for the 10th Congressional District of Massachusetts.

What is basically at stake is the right of a free people to know the actions of a government they have chosen to represent them. That is the very touchstone of our national philosophy and creed.

As Thomas Jefferson wrote:

I know no safe depository of the ultimate powers of the society but the people themselves; and if we think them not enlightened enough to exercise their control with a wholesome discretion, the remedy is not to take it from them, but to inform their discretion.

If the people's power in our form of government is absolute, so then is their right to all possible information on which to base an exercise of that power.

So the first and foremost issue, Mr. Speaker, is the right of the people to full information.

The second, of course, is freedom of which is unequivocally assured by the very words of the first amendment which states in plain language:

Congress shall make NO law . . . abridging the freedom of speech or of the press . . .

That attaches very directly to the first issue, because how can the people be informed by whispering and a captive press? Their power is then less than absolute, their capacity for self-government diminished, and the primary motives of this country's founding are betrayed.

Beyond that, the people are just as fully entitled to know completely their past so as to be able to act with intelligence and power on their future. Full information extends to precedents as well as to options, to history as well as to destiny. The avoidance of repeating past mistakes is the requirement of present and future wisdom.

And then finally, the substance of the issue itself, the Pentagon papers. Two

courts have already ruled that their publication in no way constitutes an infringement on or a threat to the security of the United States. The Government claims that they do.

We have given ourselves over, under the rule of law, to our courts. We await their decision.

In the meantime, I commend both the New York Times and the Washington Post for journalistic courage and conscientiousness. They have demonstrated both before, as well as a sense of responsibility toward the public good. They are not so endowed, but they are true representatives of a free people.

So all, Mr. Speaker, is not lost.

CONGRATULATIONS TO THE SYRACUSE HERALD JOURNAL AND POST STANDARD

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. TERRY) is recognized for 1 minute.

Mr. TERRY. Mr. Speaker, yesterday, it was my pleasure to join with local and State leaders of New York in saluting the Herald Journal and Post Standard, the daily newspapers of Onondaga County and Central New York, at the official dedication of their magnificent new plant on Clinton Square in downtown Syracuse.

The Herald and Post reach over 200,000 readers daily and provide an incisive analysis of the day's happenings. It is important to remember that in a period when our news comes packaged in slick, 30-second spots on a television or radio broadcast, that it still takes the thorough, probing examination of a newspaper analysis to provide the public with the necessary background to form intelligent opinions on the fast-breaking issues of today.

We have just completed a decade during which a large number of major dailies closed their doors. It is a tribute to the leadership and staff of the Herald Journal and the Post, that they have begun the 1970's with a new facility which is an optimistic launching pad for continued service to the Central New York area.

Stephen Rogers, president of the Herald Co., and publisher of the papers, William Cotter, editor of the Herald Journal, J. Leonard Gorman, editor of the Post Standard; city editors, Edward Sabine and Ollie Sheremeta; editorial chiefs, Harold Addington and William Cole; night editor, Mario Rossi and Sunday editor, Phil Hoffman; Gus Bliven, Bob Haggert, Maurice Lee, and Brohmann Roth, reporters, who have provided thousands of lines of news, all deserve the thanks of their readership for their continued leadership in the journalism field. A special note of recognition is warmly made of the contribution to the effectiveness of the newspapers by Joe Ganley, who daily covers our offices in Washington.

The role of the newspaper in this country has been one of leadership. The Her-

ald and Post this past winter met this role when they urged the public to support the efforts of the Central New York delegation to the State legislature in their efforts to hold the line on taxes. Without their leadership and accurate analysis of the events in Albany, it is doubtful that the goals of the delegation could have been accomplished.

There are few monuments to the history of this country of greater importance than a free and objective press. It is a pleasure to extend congratulations to the Syracuse Herald Journal, Herald-American and Post Standard on their continued role of providing news and analysis to its ever increasing readership.

UNANIMOUS DISAPPROVAL OF KENNECOTT-PEABODY MERGER BY FEDERAL TRADE COMMISSION

The SPEAKER. Under a previous order of the House, the gentleman from Texas (Mr. PATMAN) is recognized for 20 minutes.

Mr. PATMAN. Mr. Speaker, during the past decade the rapid pace of the merger movement has carried us well into the era of superconcentration in American industry. Back in 1962 in a report entitled "Mergers and Superconcentration," I warned of this development, pointing out that—

America is at the crossroads. It must face up to the alternative paths lying ahead. Will it follow the road to monopoly and ever-increasing concentration of economic power? Or will it take the other alternative—the hard and rocky road to a restoration of competitive free enterprise, with the preservation of the American ideals of opportunities for small, locally oriented, companies to enter business and thrive and grow?

A report on corporate mergers prepared by the Bureau of Economics of the Federal Trade Commission, released in 1969, confirmed my fears. That report stated:

In unprecedented fashion the current merger movement is centralizing and consolidating corporate control and decision-making among a relatively few vast companies. By the end of 1968, the 200 largest industrial corporations controlled over 60 percent of the total assets held by all manufacturing corporations. This concentration of economic resources represents a substantial increase over previous levels that have earlier prompted major concern on the part of the United States Congress. Specifically, the share of manufacturing assets held by the 100 largest corporations in 1968 was greater than the share of manufacturing assets held by the 200 largest corporations in 1950, the year Congress enacted the Celler-Kefauver amendment to Section 7 of the Clayton Act. The 200 largest manufacturing corporations in 1968 controlled a share of assets equal to that held by the 1,000 largest in 1941, when the Temporary National Economic Committee submitted to Congress its Final Report and Recommendations on an *Investigation of Concentrations of Economic Power*.

It is well known, of course, that industrial mergers have more and more taken on the form of conglomerates, yet a number of key cases brought under the

Celler-Kefauver Act demonstrate that conglomerate mergers can be attacked under the antitrust laws. In other words, several cases brought by the Federal Trade Commission and the Antitrust Division have clearly established that the law is not merely applicable to the classic horizontal or vertical mergers.

PROBING DEEP BELOW THE SURFACE, FTC'S STAFF DEVELOPED EVIDENCE THAT THE MERGER OF KENNECOTT COPPER CO. AND PEABODY COAL CO. SUBSTANTIALLY LESSENE COMPETITION IN THE COAL INDUSTRY IN VIOLATION OF THE CELLER-KEFAUVER ACT

In an opinion written by Commissioner Everette MacIntyre, the Federal Trade Commission has ruled unanimously that the acquisition of Peabody Coal Co. by Kennecott Corp. violated the Celler-Kefauver Act—section 7 of the amended Clayton Act. Kennecott is the largest producer of copper in the United States. Peabody is the Nation's largest coal company. On the surface it would appear that the merger of these two industrial giants was a pure conglomerate merger, where it would be difficult to demonstrate that competition would be injured in any particular market. However, the FTC probed deep below the surface and found that Kennecott was, in fact, a significant competitive factor in Peabody's industry, the coal industry.

The FTC is to be congratulated on the excellence of its staff work in bringing the critical facts to light and the probity of the Commission's decision, which clears up many ambiguities in the interpretation of the antimerger law and provides guidance as to the direction merger policy should proceed. Commissioner MacIntyre's thorough and well reasoned opinion rests on a number of significant findings:

First. Documentary evidence in the form of interoffice memos showed that top officials of Kennecott, prior to its acquisition of Peabody, planned to become a major factor in the coal industry in competition with other large national coal companies and took affirmative steps to enter the industry. Peabody's management considered Kennecott's actions as a threat to its own plans and took several defensive steps to ward off Kennecott's entry into the coal industry. Indeed, the documents present a textbook example of how potential competition operates in the real world.

Second. The Commission concluded, therefore, that Kennecott not only was a substantial potential entrant into the coal industry, but that the effect of its initial thrusts into the coal business and Peabody's responses designed to deter Kennecott from proceeding with its plans established Kennecott as an actual competitor.

Third. Commissioner MacIntyre's exposition of the concept of potential competition brings deep insights into that dimension of competition as a regulatory force in the marketplace and the way in which it serves as an important check on monopoly prices. Citing the reasoning of prominent economists ranging from Adam Smith to a growing

body of contemporaries such as Prof. Joe Bain, as well as a number of Sherman Act cases going back to the original Standard Oil case and coming forward to the recent section 7 cases of El Paso, Penn Olin, Procter & Gamble, and Continental Can, Commissioner MacIntyre observes:

The importance of potential competition, as the concept was developed by cooperation between economists and lawyers, in an industry which is already highly concentrated is twofold: (1) If the oligopolists raise their prices too high, the potential entrant is induced to enter. Such entry would expand the supply of the particular product which would force prices downward. (2) The mere possibility of actual entry may be sufficient to restrain those in the market to hold their prices just below the point at which entry would be induced. When a potential entrant does enter the industry through a substantial merger, not only is new competition not added, but a significant competitive influence is eliminated which was exerted by the potential entrant while remaining at the edge of the market. [Footnotes omitted.]

Fourth. The elimination of potential competition is applicable not only in markets which have reached the status of tight oligopolies but also in loose oligopolies where "the industry is on the way to becoming highly concentrated," under the incipency doctrine of section 7. To "act only in those cases in which a tight oligopoly has become an established fact would obviously thwart the intent of Congress and the purpose of section 7 which requires the Commission to make a prediction of the merger's future impact on competition." Concentration in the coal industry was found to be on the increase and entry barriers were high and becoming more formidable. The Commission concluded that—

The substitution of Kennecott, with its vast resources as the leading company in the copper industry and its existing relationships with the utility companies, tends unduly to increase barriers to the entry of new competition and to deprive smaller coal companies of an equal opportunity to compete in the sale of coal.

Fifth. Commissioner MacIntyre also considered that the entrenchment of leading firms was of particular relevance to the Kennecott-Peabody merger, stating:

The record shows that Kennecott anticipates the generation of an enormous cash surplus from its copper operations in the coming years, and it will be inappropriate to reinvest this surplus in the copper business. It is reasonable to predict that this excess will be used to expand Peabody's position in the coal industry. With this deep pocket of funds and other resources, Kennecott-Peabody will be able to bid for and acquire coal reserves, finance massive mining developments, and aggressively compete for long-term utility supply contracts from a virtually unprecedented financial position. This situation clearly warrants concern that Peabody's dominance of the coal industry will be entrenched and enhanced as a result of the acquisition challenged in this proceeding.

Sixth. Congressional policy as expressed in section 7 will be best served if merger activity is channeled toward smaller firms, and whether a firm concedes that it would enter by way of a

small acquisition "the toehold principle nevertheless applies."

Commissioner MacIntyre concludes that—

The record is clear that not only did Kennecott intend to enter the coal industry but also that it had the capacity to become a substantial competitor once it had entered. Instead of entering the industry by way of internal expansion or by toehold acquisition however, Kennecott chose to acquire the leading company. While Kennecott was able to enter the industry and thus add substantial competition, it eliminated this competition by acquiring Peabody. Moreover, concentration on a regional level where the effect of the acquisition would be most keenly felt is extremely high. The elimination of a substantial potential entrant is therefore likely to have a deleterious effect on overall competition.

The Commission is to be congratulated on its enlightened efforts to apply the Celler-Kefauver Act vigorously in the cause of bringing a restraint on the trend toward superconcentration.

The full text of the FTC opinion on the Kennecott-Peabody merger follows:

IN THE MATTER OF KENNECOTT COPPER CORP.,
A CORPORATION—DOCKET NO. 8765

United States of America, before Federal Trade Commission.

Commissioners: Miles W. Kirkpatrick, Chairman; Paul Rand Dixon; Everette MacIntyre; Mary Gardiner Jones; David S. Denison, Jr.

FINDINGS OF FACT, CONCLUSIONS, AND FINAL ORDER

The Federal Trade Commission issued its complaint in this matter on August 5, 1968, charging respondent with violation of Section 7 of the amended Clayton Act (15 U.S.C. section 18) as a result of its acquisition of Peabody Coal Company. Hearings were held before an examiner, and testimony and other evidence in support of and in opposition to the allegations of the complaint were received into the record. In an initial decision filed March 9, 1970, the examiner dismissed the complaint on the ground that the record failed to support the allegations contained therein.

The Commission, having considered the entire record, the appeal of counsel supporting the complaint and respondent's answer thereto, and having determined that the conclusions contained in the initial decision are in error, all findings of the examiner inconsistent with the Commission's findings and opinion are hereby vacated. The Commission now makes the following findings and conclusions of fact and law, and order.

FINDINGS OF FACT

I. The companies involved

1. Respondent Kennecott Copper Corporation ("Kennecott") is a corporation organized and existing under the laws of the State of New York, with its executive offices located at 161 East 42d Street, New York, New York 10017 (Answer p. 2). Kennecott, which also produces a number of other products, is the largest producer of copper in the United States (Answer p. 2). During 1966, Kennecott had sales of about \$739.7 million with net income of about \$125.4 million (Answer p. 3). Among United States industrial corporations listed in "Fortune's 500" for 1966, Kennecott ranked 55th in terms of assets and 111th in terms of sales (CX 168, p. 6). At all has been engaged in "commerce" within the meaning of the Clayton Act (Answer p. 8).

2. Kennecott is primarily engaged in the production of copper, an industry charac-

terized by fluctuations of sales and profits as well as uncertainty due to political conditions in developing nations in which much of the world's copper is mined. Moreover, the copper-ore content of the deposits presently being mined is steadily diminishing. Kennecott is engaged in an extractive business with declining assets and mounting reserves of cash (Tr. 6304).

3. As of July 15, 1966, Kennecott "had available in cash or securities approximately \$150 million; up to \$75 million net from the sale of Kaiser stock could be anticipated; its additional cash flow during the next 11 years was then estimated at \$467 million; and this made a total of approximately \$700 million whose productive investment had to be planned" for the coming 11 years (CX 2-N). "Productive investment" was to be accomplished by diversification of Kennecott's business operations (RX 236, 237 A-B). As part of the diversification program in June 1965, Kennecott acquired the property of Knight-Ideal Coal Company ("Knight-Ideal") located in Carbon County, Utah, for \$735,000 (CX 70) consisting of a mine and coal reserves capable of producing up to an estimated 1,165,000 tons annually (CX 61). The existing mine on the property at the time was producing 185,000 tons annually.

4. Prior to March 29, 1968, Peabody Coal Company ("Peabody") was a corporation organized and existing under the laws of the State of Illinois, with its principal office and place of business located at 301 North Memorial Drive, St. Louis, Missouri (Answer p. 9). Peabody was the leading coal producer in the United States (Answer p. 9). In 1966, its sales amounted to about \$234 million, its net income to about \$26.3 million, and its assets were \$315.6 million (Answer p. 11). Among United States industrial corporations listed in "Fortune's 500" for 1966, Peabody ranked 186th in terms of assets and 317th in terms of sales (CX 188, p. 14).

5. Peabody operated approximately 37 wholly owned domestic mines in the States of Alabama, Colorado, Illinois, Indiana, Kentucky, Missouri, Ohio, and Oklahoma, with additional operations planned for Arizona (Answer p. 10). As of mid-1967, Peabody owned, leased, or held under option more than 5.5 billion tons of proved recoverable coal reserves located in 14 states—Alabama, Arizona, Colorado, Illinois, Indiana, Kansas, Kentucky, Missouri, Montana, New Mexico, North Dakota, Ohio, Oklahoma, and Wyoming (Answer p. 10). In addition, Peabody owned, leased, had under option or otherwise controlled substantial acreage in the West known to contain large amounts of coal but which had not been fully explored or tested for mineability (Answer p. 10; CX 162-T).

6. In 1967, Peabody produced 59.4 million tons of coal (RX 170-A). The second largest coal company, Consolidation Coal Company ("Consolidation Coal") produced 56.5 million tons and the third ranking company, Island Creek Coal Co. ("Island Creek") produced 25.9 million or less than half of Peabody's production (RX 170-A).

7. Between 1955 and 1964, Peabody's sales of coal grew from about 19 million to almost 60 million tons, a rise of approximately 41 million tons (Tr. 3665). This increase accounted for about 45 percent of the nation's total expansion of coal production (Finding 19, *intra*).

II. The acquisition

8. Beginning in March 1966, contacts were made between Kennecott and Peabody officials relating to a proposed acquisition of Peabody by Kennecott and on July 19, 1966, an agreement was executed which provided for the acquisition of Peabody's assets by Kennecott at a price which was to yield \$47.50 in cash for each share of Peabody common stock outstanding. At the time of the agree-

ment the stock had a market value of less than \$30 a share (Tr. 3674). The acquisition was consummated on March 29, 1968 for \$285 million in cash (Answer p. 16).

III. The relevant product market

9. Coal is generally classified as bituminous, sub-bituminous, anthracite, and lignite. In 1967, about 550 million tons of bituminous and sub-bituminous, 12 million tons of anthracite, and about 3½ million tons of lignite coal were produced in the United States (Tr. 4107). The relevant product market, as found by the examiner (I.D. 13), consists of bituminous, sub-bituminous and lignite coal, hereinafter referred to as "coal," which constitute the overwhelming portion of total domestic coal production.

10. Between 1947 and 1960, domestic coal consumption has steadily declined. Railroads, once a major user which accounted for 25 percent of total consumption began to substitute diesel fuel for coal; and the share of retail and miscellaneous users which represented another 23 percent, had fallen by 1960 to less than 5 percent of total coal consumption. Industrial consumption has experienced a similar though not as extensive decrease (Tr. 3928; RX 148). However, in 1960, a turnaround came when coal consumption began to rise due to the growing needs of electric utilities. Since 1960, the major portion of coal produced, about 70 percent, has been consumed by electric utilities (Tr. 3940-43; RX 150).

11. As a source of energy, coal competes with natural gas, oil, hydropower and nuclear power because in most areas of the country the coal industry has been able to offer coal at prices below those of the other fuels and hence has shared in the growth of electrical generating capacity (Tr. 3932, 3997-4038). Thus, in 1947, coal consumed by utilities amounted to 86 million tons, in 1957, to 157.4 million tons, and in 1967, to 271.8 million tons (RX 147-A). Coal usage has grown over the years, although coal has not increased its relative share of the overall energy market at the same rate as other sources of energy. For example, coal usage for production of electricity is expected to reach 750 million tons by the year 2,000 (Tr. 4522-25; RX 189). Whether a market or a submarket, it is clear that coal is a product relevant to the measurement of the effect of the acquisition involved in this case.

IV. The relevant geographic market

12. The area within which coal may be marketed depends upon a variety of factors

including the location and size of the coal reserves, the availability of suitable transportation, the quality of the coal, the location of water supply and, more recently, the problem of air pollution (Tr. 3981-83). Since transportation cost of coal is high relative to the value of coal, the distance it can economically be shipped is limited (Tr. 3983). Hence, with a few exceptions (Tr. 4632), coal sales from a particular mine tend to be confined to the geographic area of its production.

13. Although only a few companies have national distribution, the leading coal firms which have strategically located mines nevertheless compete with each other throughout the United States for the sale of coal. For example, both Peabody and Consolidation bid on a contract, ultimately awarded to Peabody, calling for the delivery during a period of 35 years of a minimum of 117 million tons of coal beginning in 1970 to a new power station at Davis Dam, Nevada (CX 152; Tr. 5318). Peabody, Consolidation Coal, and others are competing for the sale of coal to Utah Power & Light Company in Utah (Tr. 2966-67). Peabody and Consolidation also competed for the sale of coal to Montana Power & Light Company in Montana (Tr. 3638). Peabody, Consolidation, North American Coal as well as United States Steel Corporation and others competed for sales to Minnesota Power & Light Company in Minnesota (Tr. 4604-09). The increasing demand for coal by utilities in these and other Western states will require coal in quantities up to 105 million tons annually by 1980 (Tr. 4457-58). Large national companies can be expected to compete for these sales.

14. Prior to Kennecott's purchase of Knight-Ideal, Peabody had become aware of Kennecott's plans and in response thereto, among other things, considered for the purpose of forestalling the purchase (a) an offer to supply Kennecott's coal requirements for its power plants in Utah and Nevada which provide the power for Kennecott's copper mining operations in the two states or (b) an offer to enter into a joint venture with Kennecott to operate a coal mine (CX 53-B). While Kennecott was holding an option to the Knight-Ideal property, it competed with Peabody, Consolidation Coal and others for the sale of coal to Utah Power & Light Company referred to in Finding 13, *supra*. After the Knight-Ideal purchase by Kennecott, Peabody in fact attempted to dissuade Kennecott from opening a mine on the Knight-Ideal property by making two

formal offers to Kennecott to supply the latter's coal requirements (CX 54, 55). Peabody recognized the importance of keeping additional competition out of the industry (CX 52, 53).

15. Kennecott, prior to its acquisition of Peabody, planned to become a national producer of coal in competition with other large national coal companies. It was aiming for annual sales of \$100 to \$200 million which would have made it the third or fourth largest producer in the United States (CX 84-B, see also Finding 31, *infra*). Mr. J. C. Kinnear, General Manager of Kennecott's Western Mining Division stated that—

Kennecott can organize to produce commercial coal as efficiently and cheaply as the present national major producers, and with the Knight-Ideal property as a base, can become a significant competitor for coal business in the Intermountain and northwest United States * * * (CX 63-K).

Mr. C. D. Michaelson, Kennecott's Vice-President envisioned Kennecott as a national producer and was interested "in a comprehensive study of the coal potential in the entire West and possibly in the entire United States" (CX 19).

16. Based on these facts, it is found that the United States as a whole is an appropriate geographic area in which to test the effect of the acquisition.

V. The changing structure of the coal industry

17. Members of the coal industry are known as affiliated operating groups or producers. Each group or producer includes parent and its subsidiary corporations which together constitute a single decision-making entity (Tr. 4053-55).

18. Total domestic coal production rose from about 392 million tons in 1954 to about 553 million tons in 1967, an increase of about 161 million tons or 41 percent (RX 167 attached as Table I). During this period, and since 1947, around 70 producers or operating groups produced annually more than one million tons. In 1967, there were 68 such producers (RX 168). However, between 1947 and 1967, the combined share of the 68 producers in total domestic coal production grew from 48 percent to 70 percent (RX 168, 169). While in 1947, the 33 largest producers controlled 37 percent of the coal market, by 1967, and despite a greatly expanding market between 1960 and 1967, five producers alone controlled 32 percent, with Peabody and Consolidation Coal accounting for 21 percent (RX 170).

TABLE 1.—U.S. COAL¹ PRODUCTION, TONNAGE AND PERCENTAGE DISTRIBUTION BY SIZE OF MINE, 1947-1967

[Million tons]

Year	Class 1—500,000 tons and over		Class 2—200,000 to 500,000 tons		Class 3—100,000 to 200,000 tons		Class 4—50,000 to 100,000 tons		Class 5—10,000 to 50,000 tons		Class 6—Less than 10,000 tons		Total Production
	Production	Percent of total	Production	Percent of total	Production	Percent of total	Production	Percent of total	Production	Percent of total	Production	Percent of total	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1947	262	41.5	155	24.6	88	14.0	50	8.0	60	9.4	16	2.5	631
1948	228	38.0	154	25.6	83	13.8	55	9.1	61	10.2	20	3.3	600
1949	128	29.3	120	27.3	70	16.1	48	10.9	50	11.4	22	5.0	438
1950	185	35.9	140	27.1	72	14.0	44	8.6	53	10.2	22	4.2	516
1951	226	42.4	136	25.4	65	12.2	43	8.0	47	8.8	17	3.2	534
1952	189	40.5	122	26.2	60	12.9	38	8.1	42	9.0	15	3.3	467
1953	203	44.4	121	26.4	50	10.9	33	7.2	36	8.0	14	3.1	457
1954	173	44.1	99	25.3	41	10.5	29	7.5	35	9.1	14	3.5	392
1955	220	47.4	105	22.5	47	10.1	33	7.2	40	8.7	19	4.1	465
1956	243	48.6	104	20.8	51	10.2	34	6.8	46	9.3	21	4.3	501
1957	239	48.5	105	21.3	45	9.0	33	6.7	52	10.5	20	4.0	493
1958	188	45.8	87	21.1	42	10.1	28	6.9	47	11.4	19	4.7	410
1959	205	49.9	79	19.2	37	9.0	27	6.6	43	10.4	20	4.9	412
1960	205	49.3	81	19.5	37	9.0	28	6.7	44	10.6	20	4.9	416
1961	203	50.4	73	18.1	34	8.4	30	7.5	46	11.3	17	4.3	403
1962	214	50.6	76	18.1	36	8.5	29	6.8	48	11.5	19	4.5	422
1963	243	52.9	77	16.8	36	7.8	34	7.4	50	10.9	19	4.2	459
1964	267	54.9	74	15.2	38	7.7	36	7.8	53	10.8	18	3.6	487
1965	293	57.2	72	14.0	39	7.7	38	7.5	54	10.6	16	3.0	512
1966	309	57.9	70	13.1	45	8.5	41	7.7	55	10.3	13	2.5	534
1967	327	59.1	77	13.9	52	9.4	38	6.8	49	8.9	10	1.8	553

¹Coverage includes bituminous, sub-bituminous and lignite, as in Bureau of Mines statistics.

Source: U.S. Bureau of Mines, Minerals Yearbook, 1948-66, (e.g., table 12, p. 630, vol. I-11, 1966), U.S. Bureau of Mines, Mineral Industry Surveys, "Coal—Bituminous and Lignite in 1967," Feb. 14, 1969, Weekly Coal Report No. 2683, supplement, table 14, p. 23.

19. Peabody's own growth is significant. Between 1955 and 1964, Peabody increased its sales from 19 million tons to 60 million tons, a rise of 41 million tons (Tr. 3665). Total domestic production during this period expanded by 88 million tons of which Peabody accounted for 45 percent. In 1965, Peabody accounted for 91 percent of the total domestic increase in coal production (CX 183; RX 170; see also Table II).

TABLE II

	Production (millions of tons)	Percent of total
1954 ¹		
1. Pittsburgh Consolidation Group.....	22.9	-----
2. United States Steel.....	22.7	-----
3. Sinclair Southern.....	8.3	-----
4. Eastern Gas & Fuel.....	8.1	-----
Top 4.....	62.0	15.8
5. Island Creek-Pond Creek.....	8.1	-----
6. Bethlehem Steel.....	8.1	-----
7. Truax-Traer.....	7.2	-----
8. Peabody.....	7.0	-----
Top 8.....	92.4	23.6
Total, all companies.....	392.0	100.0
1966 ¹		
1. Peabody.....	54.0	-----
2. Consolidation.....	51.4	-----
3. Island Creek.....	23.7	-----
4. United States Steel.....	18.0	-----
Top 4.....	147.1	27.6
5. Pittston.....	15.5	-----
6. General Dynamics.....	13.6	-----
7. Eastern Associated.....	12.1	-----
8. Bethlehem Steel.....	11.2	-----
Top 8.....	199.5	37.4
Total, all companies.....	533.9	100.0
1967 ²		
1. Peabody (Kennecott).....	59.4	-----
2. Consolidation (Continental Oil).....	56.5	-----
3. Island Creek (Occidental Petroleum).....	25.9	-----
4. Pittston.....	19.7	-----
Top 4.....	161.5	29.2
5. United States Steel.....	19.0	-----
6. United Electric and Freeman (General Dynamics).....	14.1	-----
7. Bethlehem Mines (Bethlehem Steel).....	12.6	-----
8. Eastern Associated (Eastern Gas & Fuel).....	12.3	-----
Top 8.....	219.5	39.7
Total, all companies.....	552.6	100.0

¹ From CX 183.

² From RX 170. The parent company, if any, is indicated in parentheses. The figures have been rounded.

20. In terms of production of the 4 and 8 largest firms, the record shows as follows: The combined share of the top 4 producers rose from 15.8 percent in 1954 to 29.2 percent in 1967. During the same period, the top 8 companies increased their share from 23.6 percent to 39.7 percent. While between 1954 and 1967, the market expanded by about 41 percent, the top 4 companies grew by about 161 percent and the top 8 companies by about 108 percent. In terms of total market expansion, the 4 largest companies accounted for about 62 percent of the increase. The comparable figure for the top 8 is about 79 percent, leaving only 21 percent of the market increase to be shared by all other companies. There is thus a trend toward rising concentration in the coal industry which, unless halted in its incipency, may bring about very high concentration—in that industry—in the foreseeable future.

21. On a regional basis, concentration is more pronounced as exemplified by production figures for some Western States. In Montana 1 firm, the Knife River Coal Co., accounted for 82 percent of the State's total production in 1967 (RX 175-D). In New Mexico, the Utah Construction & Mining Co. accounted for 70 percent of the State's 1967 production; the top 3 firms, Utah Construction & Mining Co., Kaiser Steel Corp. and Pittsburgh & Midway Mining Co., accounted

for 99 percent (RX 175-E). In Wyoming, the largest firm, Pacific Power & Light Co., produced 39 percent of the State's 1967 output, and the top 4 firms accounted for 80 percent of the total (RX 175-G). In Colorado, 4 firms produced more than 50 percent of the 1967 output (RX 175-A). In Utah, 40 percent of the State's total output was produced by 2 companies, Kaiser Steel Corp. and U.S. Steel, for their own use. Of the remaining output, the 2 largest producers, North American Coal Corp. and United States Fuel Co., accounted for over 50 percent and the 4 largest for 71 percent (RX 175-F).

22. In addition to the national trend toward concentration and the existing high levels of concentration in regional or local areas as described in Findings 18-20, the record contains evidence that barriers to entry are high. The demand for coal by utilities and the increase in size of generating plants require assemblage of much larger coal reserves and operation of much larger mines (Tr. 4037-38; 4572-77). Fifteen years ago, a generating unit of 200 to 300 megawatts would have been considered large. Today, units of 4 to 5 times in size are being designed, and even larger units are contemplated for the future (Tr. 4576-78; 1598-99). The necessity of operating large mines requires the use of correspondingly large, sophisticated mining equipment which results in substantially greater capital requirements for the operation of a successful coal business (Tr. 3367; 3622-23; 4016-17; 4020-21; 4259). The cost of some of this equipment is so high that in order to recover its cost during its useful life it must be operated on a continuous basis. The depreciation of large mining machinery involves so much money that it is generally run 24 hours a day, 7 days a week (Tr. 3367; 4002). For example, depreciation on a large strip shovel at Peabody's River King mine is about \$1 million a year, or \$2.00 a minute (Tr. 3367). In addition, an entrant must hold adequate coal reserves to fill high-volume, long-term contracts and have access to the necessary transportation facilities. Thus, capital requirements are so great as to constitute a formidable barrier to entry into the coal business.

VI. Kennecott as a potential entrant

23. In its desire to diversify for the purpose of obtaining maximum utilization of its actual and anticipated financial reserves, Kennecott considered a number of industries. Its efforts initially focused on the oil industry as evidenced by a report entitled "Investigation of Entry into Oil Industry," (CX 11) dated July 6, 1964. The report is a study of possible oil-company acquisitions and begins with a section headed "Outlook for Kennecott" in which reference is made to those industries which have been considered at various times for the purpose of diversification. One of the industries discussed is the coal industry. The report noted that "[c]oal mining has possibilities and should continue to receive attention, however its return on sales is much lower than is Kennecott's and its return on investment has been less, although there has been some recent improvement. We are studying a western coal mining operation, having as a base captive use of coal at our mining properties" (C-11, Record 8351). The study was authored by Mr. Gordon Fisher, an experienced oil man, who had been hired on November 1, 1963, as an assistant to Kennecott's President, Mr. Frank Milliken, for the purpose of analyzing the oil industry and its potential for Kennecott (Tr. 4654). Indeed, Mr. Milliken collaborated closely with Mr. Fisher in drafting certain portions of the report because in his capacity as President he wanted to be able to advise the Board of Directors as to management's thoughts on the subject of diversification (Tr. 6318; Tr. 4662).

24. With respect to the "Investigation of Oil Industry," Mr. Milliken testified as follows (Tr. 6318-20):

Q. Did you participate in the drafting of the first three pages?

A. Yes, a chap that worked for me by the name of Gordon Fisher prepared the bulk of this document and he and I worked together, somehow, on these first three pages. He made an original draft and I reviewed it.

Q. Now, sir, I call your attention to Page 3, paragraph 3, which reads: "Coal mining has possibilities and should continue to receive attention, however, its return on sales is much less than is Kennecott's and its return on investment has been less, although there has been some recent improvement. We are studying a western coal mining operation, having as a base captive use of coal at our mining properties."

Would you tell me, sir, what you meant by those statements, sir?

A. Well, we had a number of industries in mind that might serve for diversification purposes for Kennecott: oil, coal, aluminum, fertilizers, those kinds of industries that seem to meet, let's say, the standards that we talked about earlier. I think in this write up, we say or talk about aluminum, metals, and we mention coal and fertilizers in that same context. All I meant by the first sentence in Item 3, is that we are aware of coal as a possibility for diversification. As far as the second sentence is concerned, as I have indicated, I knew that in the west they were concerned about acquiring coal to help in their fuel situation at the Utah operation. I felt that this might come up to the Board some time, that the Utah Copper Division wanted to buy some reserve in relation to their problem and the Board should know this, so that, you know, they would not be surprised at the time.

Q. At this time, sir, was there any consideration given to diversification into coal?

A. Only to the extent that I have indicated here. Because in the back of our minds, like the other industries, once they had met the criteria that we had established—but there was no active work going on toward it at this time.

25. Prior to the date of the report (July 6, 1964), Kennecott had at various other times pondered entering the coal industry. On April 16, 1963, Mr. C. D. Michaelson, Vice-President of Kennecott wrote to Mr. J. C. Kinneer, General Manager of Kennecott's Western Mining Division the following letter (CX 14):

"When you were in New York, we discussed the advisability of conducting a study on the possibility of coal operations in the West. You should start this investigation immediately, if you have not already done so.

"I would suggest as a preliminary that perhaps you might consult Paul Shields on the possibilities of coal development in the West. If he has any good ideas, then you might probably want to investigate them either through Shields or through some other competent person in the field.

"I would think that your investigation should be along the line of a coal mine with a pit head power plant of the general style of the Four Corners operation of Utah Construction. However, I would not rule out the possibility of special coals such as metallurgical or coals that could be delivered to a market at a price superior to other mines."

(The Four Corners operation of the Utah Construction Company is the largest coal mine west of the Mississippi River and when full production is reached it will have the highest output of any coal mine in the United States (Tr. 1215-16).) Mr. Kinneer replied to this letter on July 25, 1963 suggesting that the most prudent method of entering the coal business would be to acquire Utah coal property which not only would be a source to supply captive requirements but would provide Kennecott with a base load to develop experience in the business (CX 20). He also suggested that the property could be used as a springboard to negotiate long-term outside sales commit-

ments as well as permit Kennecott to expand into other areas by acquiring additional properties to satisfy the coal demand of markets that may be developed. The Western Mining Division periodically reported to Kennecott's management concerning the progress it was making in its consideration of acquiring coal properties (CX 20, 21, 25, 29, 47, 63, 64, 86, 90).

26. From correspondence between officials of Kennecott's Western Mining Division and Kennecott's top management in New York, it appears that the latter directed the Western Mining Division to broaden the scope of its study of the coal industry to include the feasibility not only of providing Kennecott's western coal requirements but also of entering the coal industry on a national or even worldwide scale. For example, on October 4, 1963, Mr. Kinnear reported to Mr. Michaelson as follows (CX 24):

"My letter report of July 25, 1963 covering the feasibility of an initial Kennecott coal operation in the Carbon County, Utah area was to comply with our understanding of your original request for a feasibility study on 'coal operations in the West.' Acting on your further and recent comments to increase the scope to include national and possibly international markets, we are now outlining the alternate ways to proceed with the study on this vastly increased basis. Our recommendations will be forwarded to you next week."

On October 22, 1963, Mr. Kinnear again wrote to Mr. Michaelson:

"This letter responds to your phone call request that the preliminary feasibility study for a Kennecott coal operation be expanded in scope to cover the national coal market and perhaps worldwide coal markets as well." (CX 25 A-B)

In a communication to Mr. Michaelson dated November 1, 1963, Mr. Kinnear stated (CX 26):

"In my letter of October 22nd to you, I summarized WMD thinking on a Utah coal operation to supply the Utah and Nevada divisions plus outside sales in the intermountain area and further west, and additionally outlined alternate approaches for determining or acquiring national and/or international coal markets for Kennecott. I would appreciate receiving your comments on this letter or being given the opportunity to discuss the matter with you before taking further action leading toward a Kennecott coal operation in the west or on a broader scale."

Another Kinnear-Michaelson exchange dated January 3, 1964, contains the following summary (CX 29 A-B):

"In my letter of October 22, 1963 to you I outlined the results of our preliminary feasibility study for a Kennecott coal operation in Utah, recommended starting such an operation to supply an initial outside market and the Utah and Nevada Divisions, and suggested alternate methods of ascertaining if a wider coal marketing potential should exist for Kennecott."

27. In the course of its considerations, Kennecott's interest in the coal industry centered on Knight-Ideal in Carbon County, Utah, where this company had its coal reserves (CX 32-36). Kennecott's Western Mining Division, in its recommendation to purchase Knight-Ideal, proposed sales of coal to major commercial users. It suggested the creation of a coal mining subsidiary, with the necessary managerial personnel, including a sales representative, "to take over the operation, build outside sales volume, and construct and operate an efficient new coal mine on the property" (CX 63-L, 64-B). Mr. Kinnear stated that (CX 63-K):

"Kennecott can organize to produce commercial coal as efficiently and cheaply as the present national major producers, and with the Knight-Ideal property as a base, can become a significant competitor for coal busi-

ness in the intermountain and northwest United States."

Kennecott subsequently obtained an option to acquire Knight-Ideal (CX 44 A-J). It is manifest from contemporaneous documents covering the period of Kennecott's first interest in the coal industry in 1963 to the eventual purchase of Knight-Ideal in 1965 that Kennecott's goal was two-fold:

(1) Secure a captive source of coal supply for the power requirements of its Utah and Nevada mining operations and (2) produce and sell coal on a commercial basis. For example, the "Preliminary Economic Evaluation" recommending the purchase of Knight-Ideal states (CX 61-H):

"This is the first phase of an overall feasibility study of the benefits to be derived to Kennecott through entering the coal business, not only to supply the Corporation's western operation's captive requirements for coal, but also to aggressively seek particularly to supply the requirements of western power companies and other major consumers."

28. The report also contemplated that the mine located on the Knight-Ideal property be closed after then existing contracts were completed since it only produced about 185,000 tons of coal annually, less than half of Kennecott's own requirements, entirely apart from the mine's inability to supply any quantities for outside sales. It states that (CX 61, p. 17):

"The mining plan calls for a new mine portal to be constructed in Pace Canyon at an approximate elevation of 7,000 ft. in the southwest corner of the property."

Similarly, correspondence during July 1964 between officials of the Western Mining Division and the President of Kennecott specifically and repeatedly refers to the opening of a new mine and did not at any time contemplate continued operation of the old mine (CX 37, 38, 39). A new mine was to be opened at a new location (CX 61-G, 63-64, 67-G). The proposed purchase agreement included a provision to the effect that the existing mine be closed immediately (CX 66-E).

29. Kennecott's Board of Directors approved "the proposed purchase of the coal deposits and other real estate . . . on the terms and conditions as described" and authorized the corporate officers "to carry out such purchase, and in that connection, to sign any and all documents and take all further action, including the formation of a subsidiary corporation to hold and operate this property, as they deem necessary or desirable." At the same time the Board approved a request for authorization of an initial expenditure of \$6,244,000 for development of a new mine (CX 66 A-B). The purchase agreement was executed on June 21, 1965 (CX 68 A-1). Title to the property was transferred to Kennecott on July 21, 1965 (CX 79, 82).

30. Subsequent to the acquisition of Knight-Ideal, Kennecott engaged the services of a coal consultant to advise the company as to whether it should purchase additional coal reserves or acquire coal companies rather than reserves (CX 81-A). The memorandum discussing employment of a consultant also states that "the acquisition of companies would make for faster progress." Meanwhile, Kennecott, through its Western Mining Division, submitted a bid on federal coal leases involving 1,375 acres in central Utah which were being offered by the U.S. Bureau of Land Management (CX 91-A). The bid was unsuccessful. During the period before and after the Knight-Ideal acquisition, but prior to the Peabody acquisition, Kennecott was actively interested in acquiring additional coal reserves (CX 34-36, 39-40, 45-47-C, 49-B, 51-C, 61-G, 83-B, 87 A-B, 90-93, 96-97). The Heiner-McKinnin properties adjacent to Knight-Ideal were considered (CX 45 A-B, 46 A-B, 47 A-C). An offer looking toward an option

to purchase one-half of these properties was made but rejected (CX 83-B, 87-A), and the one-half interest was later sold to Island Creek Coal Co. (CX 90-A, 91-A). The Western Mining Division also requested authority to negotiate an option to purchase 1550 acres of coal lands owned by Premium Coal Company (CX 90-B). On December 10, 1965, six months after the Knight-Ideal acquisition, a request for supplemental appropriation of funds to explore a large coal field in Sevier County, Utah, was approved by Kennecott (CX 92-A).

31. It was anticipated that Kennecott would enter the coal industry to become a major factor, attaining eventually annual sales ranging from \$100 million to \$200 million (CX 84-B). To this end, during the period following the Knight-Ideal purchase and prior to the Peabody acquisition, Kennecott was actively engaged in search for a coal executive. In September 1965, Kennecott retained the management consulting firm of Booz, Allen & Hamilton, Inc. "to undertake a search for a senior executive to lead (Kennecott) into the coal business" (CX 84-B). The person Kennecott had in mind should be chief executive of an operating subsidiary of a coal producer and should "have the drive to develop and guide a significant new enterprise within the coal industry" and should be capable of "identifying and developing new properties." He would be responsible "for building a new coal business on the soundest possible basis, whether it be through the acquisition of a significant company, the acquisition and merging of small companies, or the acquisition and development of coal properties" (CX 84-D, F).

32. During the period Kennecott was pondering the purchase of Knight-Ideal, Peabody considered several defensive steps to ward off Kennecott's entry into the coal industry. Mr. Hugh B. Lee, Jr., Vice-President and General Sales Manager of Peabody on June 7, 1965 noted that:

"The head start gained by Peabody in Utah is threatened by recent action and indicated action by Island Creek and Kennecott. Island Creek has acquired the Heiner properties and obviously plans to develop them. On June 3rd, Western Mining Division of Kennecott sent a recommendation to their top management that the Knight-Ideal properties (2500 acres—50,000,000 tons) be acquired and a modern mine be installed to serve Kennecott operations (450,000 to 700,000 tons annually) plus aggressively seeking outside sales to utilities and industries. An investment (including spur from D&RGW main line) of about \$5,000,000 is contemplated. Michaelson, Chief Engineer Western Mining Division, sees this as as possible step toward major diversification by Kennecott through subsequent acquisition of coal properties in the East or Midwest. Art Macke's report on the Knight-Ideal mine (200,000 tons annually) estimated a mine cost of \$2.70 per ton for washed coal. (Company Union—UMWA scale, but favorable labor conditions, and 10-15¢ welfare). If Kennecott chooses to acquire Knight-Ideal and put in a modern mine (decision by June 21st), we have the following alternatives:

"1. Ignore Kennecott and proceed with our own decisions and action.

"2. Promptly make offer to Kennecott for their coal requirements (perhaps coupled with offer of restricted sublease of part of Huntington Corp. property to satisfy Kennecott's desire for defensive position) that is attractive enough to dissuade them from acquiring or operating Knight-Ideal.

"3. Offer to enter into joint venture with Kennecott (Peabody to operate with fee) to put in modern mine in Huntington Canyon or Knight-Ideal area. (Michaelson is receptive).

"4. Abandon thought of Peabody operation in Utah, place Nevada Power commitment at Kennecott's new mine and function as lim-

ited or exclusive sales agent for the proposed mine." (CX 53)

Peabody, in addition to recognizing Kennecott's intent to secure a captive coal supply source, was acutely aware of, and viewed Kennecott as a potential entrant into the coal industry. It attempted to dissuade Kennecott from entering the coal industry, be it for the purpose of obtaining its own captive requirements or of becoming a full-fledged, major member of the industry. Mr. Lee, Peabody's Vice-President and General Manager, "has called on [S.D.] Michaelson four times in the last six weeks and has been frank to state that Peabody does not want Kennecott in the coal business for either its captive requirements or outside sales." (Kin-near letter of March 5, 1965 to Michaelson, CX 51-D.) Further evidence of Peabody's concern is an intercompany memorandum by Mr. Lee that Mr. S. D. Michaelson, Chief Engineer of the Western Mining Division was "convinced a captive coal mine operation that could lead to outside commercial sales would be a desirable diversification along with an assurance of long term favorable fuel costs" (RX 9-A).

33. We find that, in light of its intentions, capabilities, financial resources, and proximity to the coal industry, as well as the fact that it was recognized as such by Peabody, the leading industry member, Kennecott was a most likely entrant into the coal industry.

VII. Other potential entrants

34. Dr. Fox, the respondent's expert economic witness testified that in his opinion there are dozens of other potential entrants into the coal industry (Tr. 6177-79). However, there is no record evidence with respect to these potential entrants, and the record does not show to what extent these unidentified potential entrants have the financial resources to build a substantial coal business, and, if they had the intention to enter the coal industry, how and when they planned to enter. No other potential entrant was identified which was as likely a potential entrant as Kennecott.

VIII. Ownership of reserves by non-coal companies

35. The record contains evidence of the possession of coal reserves by firms other than members of the coal industry. There are oil companies, natural gas companies, electric utilities, and railroads (Tr. 6169). Electric utilities and railroads are not considered likely potential entrants (Tr. 6176-77). With respect to oil and natural gas companies, the record demonstrates that their primary interest in acquiring coal reserves lies in converting coal into synthetic fuels, and that liquefaction and gasification rather than the sale of coal is their target (Tr. 6171-73). Liquefaction refers to the process of converting coal into oil for producing oil-related products such as gasoline, and gasification refers to the process of converting coal into gas (Tr. 3348-49). The basic technology of coal conversion and the expertise needed for refining and distributing the resulting synthetic fuels are unrelated to the coal business in its present form (Tr. 6171-73). Liquefaction of coal is likely to become a commercial reality during the 1970's and gasification on a commercial basis is expected to occur shortly thereafter (Tr. 4069, 4074, 5751).

IX. The effects of the acquisition on competition

36. Kennecott intended to become a significant competitor in the coal industry, one way or another (CX 63-K). It also planned to become a national producer in competition with nationwide coal companies on a scale large enough to have made it the third or fourth ranking producer in the United States (CX 84-B). When as the result of the acquisition of Knight-Ideal Kennecott's intentions to enter the coal industry became known, Peabody, the large-

est coal company in the United States, immediately pondered ways and means designed to deter Kennecott from entering the industry (CX 53). As the result of its acquisition of Peabody, Kennecott removed itself as a substantial potential competitive force. Whatever salutary effect on competition Kennecott exerted at the edge of the market was lost when it substituted itself for the largest company in the industry. Kennecott's action must be viewed against the background of high entry barriers and a rising trend towards concentration in the coal industry at the national level, notwithstanding the steadily growing demand for coal. Based on all the facts hereinbefore detailed, it is found that the acquisition may substantially lessen competition in the coal industry.

CONCLUSIONS

1. The Commission has jurisdiction of the subject of this proceeding and of respondent Kennecott Copper Corporation ("Kennecott")

2. On or about March 29, 1968, Kennecott acquired the business and substantially all of the assets of Peabody Coal Company ("Peabody").

3. At all times relevant to this proceeding, Kennecott and Peabody were engaged in commerce within the meaning of the Clayton Act.

4. For purposes of assessing the legality of the acquisition under Section 7 of the amended Clayton Act, the appropriate line of commerce is the production and sale of coal.

5. The relevant geographic market within which to test the competitive effect of the acquisition is the United States as a whole.

6. Prior to its acquisition of Peabody, Kennecott had already acquired the Knight-Ideal Coal Co. and was a potential entrant in a more substantial way into the coal industry.

7. Section 7 of the amended Clayton Act prohibits any merger or corporate acquisition where the effect in any line of commerce in any section of the country may be substantially to lessen competition or tend to create a monopoly.

8. The effect of the acquisition of Peabody by Kennecott may substantially lessen competition in the production and sale of coal in the United States in violation of Section 7 of the amended Clayton Act.

9. Total divestiture of the acquired assets is both necessary and appropriate to remedy the probable anticompetitive effects of the unlawful acquisition.

FINAL ORDER

I

It is ordered that Kennecott Copper Corporation, a corporation, and its officers, directors, agents, representatives, employees, subsidiaries, affiliates, successors and assigns, within six (6) months from the date of service upon it of this order, shall divest, absolutely and in good faith, subject to the approval of the Federal Trade Commission, all assets, properties, rights and privileges, tangible and intangible, including, but not limited to, all plants, equipment, trade names, trademarks and good will, acquired by Kennecott Copper Corporation, as a result of the acquisition of the assets and business of Peabody Coal Company, together with all additions and improvements thereto, of whatever description, so as to restore Peabody as a going concern and effective competitor in the mining, production and sale of coal.

II

It is further ordered that none of the assets, properties, rights or privileges, described in paragraph I of this order, shall be sold or transferred, directly or indirectly, to any person who is at the time of the divestiture an officer, director, employee, or agent of or under the control or direction of, respondent or any of respondent's subsidiary

or affiliated corporations, or owns or controls, directly or indirectly, more than one (1) percent of the outstanding shares of common stock of Kennecott Copper Corporation, or to any purchaser who is not approved in advance by the Federal Trade Commission.

III

It is further ordered that if respondent divests the assets, properties, rights and privileges, described in paragraph I of this order, to a new corporation or corporations, the stock of each of which is wholly owned by Kennecott Copper Corporation, and if respondent then distributes all of the stock in said corporation or corporations to the stockholders of Kennecott Copper Corporation, in proportion to their holdings of Kennecott Copper Corporation's stock, then paragraph II of this order shall be inapplicable, and the following paragraphs IV and V shall take force and effect in its stead.

IV

It is further ordered that no person who is an officer, director or executive employee of Kennecott Copper Corporation, or who owns or controls, directly or indirectly, more than one (1) percent of the stock of the Kennecott Copper Corporation, shall be an officer, director or executive employee of any new corporation or corporations described in paragraph III, or shall own or control, directly or indirectly, more than one (1) percent of the stock of any new corporation or corporations described in paragraph III.

V

It is further ordered that any person who must sell or dispose of a stock interest in Kennecott Copper Corporation, or the new corporation or corporations, described in paragraph III of this order may do so within six (6) months after the date on which distribution of the stock of the said corporation or corporations is made to stockholders of Kennecott Copper Corporation.

VI

It is further ordered that pending divestiture, respondent shall not make any changes in the corporate structure, business operations, or in any plants, machinery, buildings, equipment or other property of whatever description of Peabody Coal Company other than those changes made in the ordinary course of business.

VII

It is further ordered that respondent shall for a period of ten (10) years from the date of service of this order, cease and desist from acquiring, directly or indirectly, through subsidiaries or otherwise, without the prior approval of the Federal Trade Commission, all or any part of the share capital of any corporation engaged in the mining, production or sale of coal in the United States, or capital assets pertaining to such mining, production or sale of coal.

VIII

It is further ordered that as used in this order, the word "person" shall include all members of the immediate family of the individual specified and shall include corporations, partnerships, associations and other legal entities as well as natural persons.

IX

It is further ordered that respondent shall periodically, within sixty (60) days from the date of service of this order and every sixty (60) days thereafter until divestiture is effected, submit to the Federal Trade Commission a detailed written report of its actions, plans, and progress, in complying with the provisions of this order, and fulfilling its objectives.

X

It is further ordered that respondent's request for continued *in camera* treatment of documents identified as CX 163, CX 164 A-H, and CX 154 V-27 be, and it hereby is, granted.

XI

It is further ordered that the documents identified as CX 11, CX 124 A-N, CX 125 A-C, CX 196 A-H, and RX 186 be, and they hereby are, a part of the public record.

XII

It is further ordered that respondent's request for reconsideration of its motion of December 31, 1968 that Commissioner Jones withdraw from participation in this proceeding, or, in the alternative, that the Commission determine that Commissioner Jones be disqualified from such participation be, and it hereby is, denied.

By the Commission.

CHARLES A. TOBIN,
Secretary.

IN THE MATTER OF KENNECOTT COPPER CORP.,
A CORPORATION—DOCKET No. 8765

United States of America before Federal Trade Commission.

Commissioners: Miles W. Kirkpatrick, Chairman; Paul Rand Dixon; Everette MacIntyre; Mary Gardiner Jones; David S. Denison, Jr.

OPINION OF THE COMMISSION

By Commissioner MacIntyre:

Introduction

On August 5, 1968, the Commission issued its complaint herein charging that the acquisition of the Peabody Coal Company by Kennecott Copper violated Section 7 of the Clayton Act (15 U.S.C. § 18). The complaint alleged that the effect of the acquisition "may be to lessen competition substantially or to tend to create a monopoly" in the production and sale of coal. After extensive hearings, the hearing examiner, on March 9, 1970, dismissed the complaint. The case is before us on appeal of complaint counsel. Complaint counsel allege numerous errors in the examiner's findings of fact and in his conclusions based on these facts.

No controversy exists as to many of the relevant facts. The examiner's findings are incorporated and adopted except where they are inconsistent with the attachment Findings of Fact. The principal disputes center around the conclusions, inferences and legal conclusions to be drawn from these facts.

The Industry

Since 1947 and up to 1960 the coal industry was plagued by steadily declining consumption. The turnabout began in 1960 when the soaring demand for electricity in turn stimulated the demand for coal for generation of electricity. Coal production increased from a low of 392 million tons in 1954, to 553 million tons in 1967. Consumption of coal by electric utilities rose from 86 million tons in 1947 to 272 million tons in 1967 when 70 percent of coal produced was used by electric utilities. By the year 2,000 it is expected that coal consumption by electric utilities will reach 755 million tons (Fgds. 17-21).

Notwithstanding the ever growing demand for, and the concomitant expansion of production of, coal, the industry is experiencing a steady trend toward rising concentration. In 1947, there were 68 firms producing more than one million tons of coal annually. In 1947, their share of the domestic coal production amounted to 48 percent; by 1967, it reached 70 percent. During the period 1954 to 1967, the top four companies increased their share of production from 15.8 percent to 29.2 percent. While during the same period the market expanded by 40.9 percent, the share of the top four companies grew by 160.5 percent. Further, the top four firms accounted for 62 percent of the total market expansion (Fgd. 20). This trend, unless halted, foreshadows ominous developments in the coal industry, with production and sale of coal concentrating in fewer and fewer hands. Cf. *United States v. Von's Grocery Co.*, 384 U.S. 270, 273, 274, 276-77 (1966).

On a regional basis concentration tends to be far more pronounced as evidenced by production figures for some Western States (Fgd. 21).

Peabody and Kennecott

At the time Peabody was acquired by Kennecott it was the largest coal producer in the United States with 1967 production of 59 million tons. In this context, Peabody's growth rate is significant. Between 1955 and 1967, its sales rose by 41 million tons, from 19 million tons to 60 million tons. This increase constituted 45 percent of the nation's total increase. In 1965 Peabody accounted for 91 percent of the domestic expansion of coal production. (Fgd. 19).

Kennecott Copper is the nation's largest copper producer with 1966 sales of about \$739 million. In 1966 Kennecott was the 55th largest firm in terms of assets and the 111th largest in terms of sales (Fgd. 1).

The Relevant Product Market

A threshold dispute exists as to the relevant product market. Complaint counsel urge that the pertinent line of commerce consists of bituminous and sub-bituminous coal. Respondent on the other hand, urges that the line of commerce should not be limited to coal but should encompass competing fuels in an "energy market" or a "boiler market," or, since 70 percent of the coal production is used for generation of electric energy, an electric utility market (I.D. 13). The examiner found, and we agree, that in light of the record evidence the relevant product market should be bituminous, sub-bituminous and lignite coal (I.D. 13-17).

Nevertheless, the examiner concluded that "[c]oal is produced and sold in competition with other fuels, and this interfuel competition is another factor that minimizes the competitive significance of the elimination of a single potential competitor in coal" (I.D. 206).

Coal, in our view, is clearly a relevant product market for antitrust purposes, separate and distinct from other fuels, by virtue of the fact that coal has unique characteristics which are commercially significant and a technology obviously different from such power sources as gas or nuclear energy.

The Commission had occasion to rule on the same issue in similar circumstances in the *American Brake Shoe* case. On this point the Commission held as follows ([1967-1970 Transfer Binder] Trade Reg. Rep. ¶ 18,339 "Finally, Brake Shoe's challenge to the examiner's line of commerce finding on the sintered metal submarket, grounded on the contention that it is barred by evidence of interchangeability, cannot be reconciled with the applicable precedents for:

... The issue under § 7 is whether there is a reasonable probability of substantial lessening of competition. There can be a substantial lessening of competition with respect to a product whether or not there are reasonably interchangeable substitutes.' [Footnote omitted.]

As the Third Circuit recently noted [*General Foods Corp. v. Federal Trade Commission*, 386 F. 2d 936, 940 (1967)]:

... The fact that different products may in some sense be competitive with each other is not sufficient to place them in the same market if by themselves they constitute distinct product lines. *United States v. Aluminum Co. of America* (Alcoa-Rome Cable) 377 U.S. 271 . . . (1964). Nor does the availability of substitute products compel the conclusion that they belong in the same relevant market. *United States v. E. I. DuPont de Nemours & Co.*, 353 U.S. 586 . . . (1957) *Reynolds Metals Co. v. Federal Trade Commission* . . . [Footnote omitted.]

"The market for § 7 purposes consists of 'the product and probably its close substitutes, but does not embrace all products as to which there is a significant cross-elasticity of demand, or which are in a sense broad sub-

stitutes even though the existence of substitutes is among the factors which determine the extent of a firm's market power.' [Footnote omitted.] The Supreme Court has established that although the outer boundaries of a product market may be determined by reasonable interchangeability between substitute products, this does not preclude the existence of well defined submarkets valid for antitrust purposes within the confines of the broader markets." [Footnote omitted.]

"The boundaries of the submarket may be determined by reference to a number of practical indicia, including industry and public recognition of the submarket as a separate economic entity, the product's peculiar characteristics and uses, unique production facilities, distinct customers, distinct prices, sensitivity to price changes and specialized vendors. [Footnote omitted.] Such a submarket may exist though only some of these criteria enumerated by the Supreme Court are applicable in the particular case. [Footnote omitted.] The sintered metal friction materials market by virtue of its unique technology and production facilities, a distinct price structure, and the products' peculiar uses and characteristics constitute a market economically significant and meaningful in terms of trade reality. [Footnote omitted.] The effect of the acquisition may properly be assessed within its confines."

We believe the examiner's conclusion unduly overstates the extent and effect of interfuel competition. Whatever interfuel competition may exist, it did not prevent rapid expansion of coal production resulting from the demand of electric utilities for electric generating purposes. As stated earlier, consumption of coal by electric utilities rose from 86 million tons in 1947 to 272 million tons in 1967, and is expected to reach 755 million tons by the year 2,000. Demand for coal by electric utilities has almost doubled in every decade. In 1967, 70 percent of the coal produced was consumed by utilities, and coal accounted for 55 percent of electricity generated in the United States (Fgd. 11). In view of these figures we cannot agree that interfuel competition has minimized the significance of the acquisition which should be tested in the product market hereinbefore defined.

The Relevant Geographic Market

The complaint charges that the acquisition may lessen competition substantially in the coal business "in Utah, the Mountain Region, and the United States and relevant portions thereof" (Complaint p. 6). Complaint counsel subsequently alleged the existence of an additional geographic market—the "area west of the Mississippi" or "the West."

Before analyzing the examiner's ruling on this issue, it is necessary to outline briefly the manner in which coal is marketed. The area in which coal may be marketed depends upon a variety of factors including the location and size of coal reserves, the availability of coal reserves, the quality of the coal, the location of water reserves and the availability of suitable transportation. Since transportation costs of coal are high relative to its value and the distance coal can be economically shipped is limited, coal marketing tends to be confined to the geographic area of its production (Fgd. 12).

The examiner made similar findings (I.D. 171). He concluded, however, that the "record fails to establish that the relevant geographic market—the area of effective competition—appropriate for testing the competitive effects of the acquisition is either Utah, the Mountain Region, the area west of the Mississippi or the United States" (I.D. 205). He therefore found that complaint counsel had failed to establish any relevant geographic market.

We disagree. We believe that the record supports a finding that the nation as a whole

constitutes a relevant geographic market. Although, in view of high transportation costs, the distance over which coal is being shipped is limited, the large coal companies nevertheless compete with each other throughout the United States. For example, Peabody and Consolidation Coal competed for the sale of coal in Nevada; Peabody, Consolidation Coal and others competed for the sale of coal in Utah; Peabody and Consolidation Coal competed for the sale of coal in Montana; and Peabody, Consolidation Coal, North American Coal, United States Steel Corporation and others competed for the sale of coal in Minnesota (Fdg. 13). Moreover, Kennecott intended to become a substantial nationwide producer with \$100 to \$200 million in annual coal sales which would have made it the third or fourth ranking producer in the United States and would have brought it into direct competition with other large producers such as Peabody, Consolidation Coal and Island Creek (Fdg. 30).

In dismissing the complaint for failure to prove a relevant geographic market within which to assess the impact of the acquisition, the examiner did not take into account authoritative case law. In *United States v. Pabst Brewing Company*, 384 U.S. 546 (1966), the Supreme Court held that it is not incumbent upon the Government to establish a relevant geographic market "in the same way the *corpus delicti* must be proved to establish a crime." Nor does the law require that a geographic market area be defined "by metes and bounds as a surveyor would lay off a plot of ground." The Court noted that the Government must "prove no more than there has been a merger between two corporations engaged in commerce and that the effect of the merger may be to substantially lessen competition or tend to create a monopoly 'in any section of the country.'" Hence "the language of the statute requires merely the Government prove the merger has substantial anticompetitive effect somewhere in the United States." The Court states that "the failure of the Government to prove by an army of expert witnesses what constitutes a relevant 'economic' or 'geographic' market is not an adequate ground on which to dismiss a § 7 case." 348 U.S. at 549. Lastly, the Court laid down this key guideline (384 U.S. at 549-50; emphasis added):

"Proof of the section of the country where the anticompetitive effect exists is entirely subsidiary to the crucial question in this and every § 7 case which is whether a merger may substantially lessen competition anywhere in the United States."

In light of all the circumstances as detailed in our findings and in this opinion as well as in light of the Supreme Court's holding in *Pabst Brewing*, we conclude that the United States as a whole is the proper geographic market in which to determine the effect of the acquisition.

Kennecott as a Potential Entrant

The record leaves little doubt that Kennecott was a substantial potential entrant into the coal industry. In fact we feel that the record goes further and clearly indicates that Kennecott was an actual competitor. The record shows that Kennecott had an interest in the coal industry that dates back to early 1963 (Fdg. 23) when Kennecott was beginning to plan the productive investment of almost \$1 billion of cash which it expected to generate by 1980 (Fdg. 3). Kennecott's interest in coal was twofold: (1) Secure a captive source of coal supply for the power requirements of its own Utah and Nevada operations; and (2) produce and sell coal on a commercial basis (Fdg. 26). It anticipated entry into the coal industry as a major factor attaining eventual annual sales of \$100 to \$200 million which would make it the third or fourth ranking member in the industry (Fdg. 30).

The primary responsibility for evaluating entry into the coal business and for effectuating any decisions with respect thereto was assigned to Kennecott's Western Mining Division, then headed by Mr. J. C. Kinnear as General Manager. Communications between him and Mr. C. D. Michaelson, Kennecott's Vice-President, show that Kennecott was strongly interested in a national if not international coal operation (Fdg. 26). Initially, Kennecott focused its attention on coal in the West and specifically in Utah. Kennecott, however, expressed more than an interest in and intention to entering the coal industry. It first took a number of steps to actually implement its intention. It purchased the coal reserves of the Knight-Ideal Coal Company (Fdg. 26), hired a coal consulting firm (Fdg. 29), approved funds for the exploration of coal fields (Fdg. 29), and employed a management consulting firm to find a senior coal executive who could lead Kennecott into the coal industry (Fdg. 30).

The record is also clear that Peabody, the leading firm in the industry, treated Kennecott as more than a potential entrant. It took a decided step to deter Kennecott from proceeding further on its charted course of entry into the coal industry (Fdg. 32).

We have carefully reviewed respondent's contentions with respect to the issue of potential entry and find them without merit. Specifically, respondent argues that in all likelihood it would not have entered the coal business had it not acquired Peabody. Even if we were to assume, which we do not, that such was the case, that fact would not affect the determination that Kennecott was a potential entrant nor would it bear upon the issue of whether or not the acquisition is in violation of Section 7. The validity of a challenged acquisition does not hinge upon a respondent's claim that the only way it was willing to enter a particular industry was by acquiring the largest company in that industry. As outlined in the following section, the impact of potential competition must be evaluated in light of the state of competition in an industry whose members may or may not know the precise manner of entry by a potential competitor.

The Concept of Potential Competition

The rationale behind the concept of potential competition, in simplest terms, is that the excess of effective demand over supply of a given commodity will in time increase production within the industry as well as attract outsiders to enter the industry, with the result that supply will be raised to the point where the price per unit approaches the marginal unit cost.² Adam Smith in 1776 observed:

"When by an increase in the effectual demand, the market price of some particular commodity happens to rise a good deal above the natural price, those who employ their stocks in supplying that market are generally careful to conceal this change. If it was commonly known, their great profit would tempt so many new rivals to employ their stock in the same way, that, the effectual demand being fully supplied, the market price would soon be reduced to the natural price, and perhaps for some time even below it."³

While the idea of potential competition as being an important check on monopoly prices had become common ground among economists, it was C. Wilcox's exposition in *Competition and Monopoly in American Industry* which gave the concept relatively wide circulation:

"Potential competition, either as a supplement to actual competition or as a substitute for it, may restrain producers from overcharging those to whom they sell or underpaying those from whom they buy. . . . Potential competition, insofar as the threat survives, may compensate in part for the imperfection characteristic of actual competi-

See footnotes at end of article.

tion in the great majority of competitive markets."⁴

The concept was first reflected in monopoly cases and later in merger cases. In *United States v. Standard Oil Co.*,⁵ defendants contended, in answer to a monopoly charge under Section 1 of the Sherman Act, that the oil companies involved were not actual competitors and that therefore the contracts for the control of the stock of these companies did not restrain competition. The Court, however, held that they were clearly "natural and potential competitors" and defendant's control of the stock of the companies prevented them from becoming actual competitors.⁶ In *American Tobacco Co. v. United States*,⁷ the Supreme Court based its decision, finding a violation of Section 2 of the Sherman Act, in part upon the exclusion of potential competition, although the Court had no occasion to articulate the concept of potential competition in terms of market-structure analysis.⁸ The Supreme Court has ultimately used the concept in merger cases to determine the legality of acquisitions in which the acquiring firm was a potential competitor of the acquired firm. *United States v. El Paso Gas Co.*, 376 U.S. 651, 659-61 (1964); *United States v. Penn Olin Chemical Co.*, 378 U.S. 158, 173-74 (1964); *Federal Trade Commission v. Procter & Gamble*, 386 U.S. 568, 580-81; cf. *United States v. Continental Can Co.*, 378 U.S. 441, 458, 464, 465-66 (1964).

The importance of potential competition, as the concept was developed by cooperation between economists and lawyers,⁹ in an industry which is already highly concentrated is twofold: (1) If the oligopolists raise their prices too high, the potential entrant is induced to enter. Such entry would expand the supply of the particular product which would force prices downward. (2) The mere possibility of actual entry may be sufficient to restrain those in the market to hold their prices just below the point at which entry would be induced.¹⁰ When a potential entrant does enter the industry through a substantial merger, not only is new competition not added, but a significant competitive influence is eliminated which was exerted by the potential entrant while remaining at the edge of the market.

Once having recognized the importance of potential competition, the question then arises under what conditions does the elimination of a potential competitor have the effect proscribed by Section 7 of the Clayton Act? As a general rule, a violation of Section 7 has been found in those circumstances in which the acquired firm is a leading factor in a tight oligopoly. A tight oligopoly has been defined as an industry having a "very small number (eight or fewer) firms supplying 50 percent of the market, with the largest firm having a 20 percent or higher share . . ." ¹¹ These circumstances, however, are not solely determinative whether an acquisition may constitute a violation of Section 7.

In the instant proceeding, while on a national level the industry may be considered a loose oligopoly,¹² two additional factors must be considered. First, as demonstrated in our findings, the growth of the leading firms compared with the growth of the coal industry as a whole, strongly indicates that the industry is on the way to becoming highly concentrated. The Commission cannot stay its hand until the industry has in fact been transformed into a tight oligopoly. Second, barriers to entry are high and are becoming more formidable (Fdg. 22). This development is described in Respondent's Answering Brief before the Commission in these words:

"Increased mechanization and the employment of large, more productive and more expensive equipment have been accompanied by an increase in the scale of mining operations. Large mines are best able to take advantage of mechanization, particularly the employment of efficient and extremely expensive equipment.

"Large mines are also necessary for the utilization of the lower cost methods of transportation. For example, a unit train is practicable only in the movement of substantial tonnages, justifying the dedication of locomotives and a sufficient number of coal cars to shuttle between mine and consumer [Record citations omitted].

"The significant increase in the size of electric generating plants that has occurred in the last twenty years has made the assembling of much larger coal reserves and the operation of much larger mines an absolute necessity for coal companies to compete successfully with suppliers of other fuels." (p. 31-32)

THE EFFECT OF THE ACQUISITION

In amending Section 7 in 1950, the basic concern of Congress was with forestalling the emergency of concentrated industries. As explained by the Supreme Court in *Brown Shoe Co. v. United States*, 370 U.S. 294, at 317-18 (1962):

"... it is apparent that a keystone in the erection of a barrier to what Congress saw was the rising tide of economic concentration, was its provision of authority for arresting mergers at a time when the trend to a lessening of competition in a line of commerce was still in its incipency. Congress saw the process of concentration in American business as a dynamic force; it sought to assure the Federal Trade Commission and the courts the power to brake this force at its outset and before it gathered momentum." [Footnote omitted].

The Court applied in *Brown Shoe* the principle of arresting mergers while the trend toward concentration was still in its incipency, in light of the following background data: The top 24 manufacturers produced about 35 percent of the nation's shoes, 370 U.S. at 300. Here, the top 8 firms in 1967 accounted for almost 40 percent of total domestic coal production (Findings of Fact, Table II).

Plainly, the examiner seems to have labored under the misapprehension that, as a practical matter, the Commission can act only in those cases in which a tight oligopoly had become an accomplished fact. Such a rationale would obviously thwart the intent of Congress and the purpose of Section 7 which requires the Commission to make a prediction of the merger's future impact on competition.

Another significant factor should be taken into account. In the present case one of the nation's 200 largest firms acquired the leading producer in an industry that is well on its way to becoming tightly oligopolistic. In weighing the validity of mergers of the instant type, the President's Council of Economic Advisors included in the 1970 Economic Report of the President the following guidelines (at 96):

"The Department of Justice has announced that it intends generally to adhere to its 1968 guidelines, but that it probably will oppose any merger among the top 200 manufacturing firms or firms of comparable size in other industries, or any mergers by one of the top 200 manufacturers with any leading producer in any concentrated industry. This program is based upon recent decisions of the Supreme Court condemning mergers that eliminate significant potential competition, entrench leading firms in concentrated markets, substantially increase the power of large firms to engage in reciprocity, or further a trend of mergers that would lessen competition."

Concern with the entrenchment of leading firms is particularly relevant in the present case. The record shows that Kennecott anticipates the generation of an enormous cash surplus from its copper operations in the coming years, and it will be inappropriate to reinvest this surplus in the copper business (Fgds. 2, 3). It is reasonable to predict that this excess cash will be used to expand Peabody's position in the coal industry.

With this deep pocket of funds and other resources, Kennecott-Peabody will be able to bid for and acquire coal reserves, finance massive mining developments, and aggressively compete for long-term utility supply contracts from a virtually unprecedented financial position. This situation clearly warrants concern that Peabody's dominance of the coal industry will be entrenched and enhanced as a result of the acquisition challenged in this proceeding.

Moreover, since owing to high transportation costs the distance over which coal is shipped is limited, consumers of coal are confronted in given areas with concentration ratios more akin to those found in some individual states which are much higher than the concentration ratios at the national level (Fdg. 21). Thus, the concentration data at the national level generally tend to understate the degree of concentration in a given local market.¹³ For example, in Montana, one firm accounted for 82 percent of the state's total production in 1967; in New Mexico, one company accounted for 70 percent of the state's 1967 production. In Wyoming, one firm produced 39 percent and in Colorado four firms produced more than 50 percent of the 1967 output. In Utah 40 percent of the state's total output was produced by two companies for their own use (Fdg. 21). While it is not suggested that state boundaries should be used in the instant case to define a local market, these concentration data nevertheless are indicative of the type of structure existing in local markets, even though such markets may cross state boundaries.

These figures, together with the shipping barriers of coal indicate that the local markets, in which the utilities as well as other consumers, purchase their coal are highly concentrated.

In light of the demonstrated trend toward high concentration and the formidable barriers to entry in the coal industry, it is imperative to preserve potential competition as a check upon the economic behavior of the members of the coal industry. As a result of the acquisition of Peabody, Kennecott was removed as a substantial competitor who exerted a restraining influence while it was implementing its plans to enter the market. We thus conclude that Kennecott's acquisition of Peabody may have the requisite adverse effect on competition so as to constitute a violation of Section 7. Our conclusion is buttressed by the fact that, notwithstanding respondent's contentions to the contrary, Peabody, the leader in the industry, recognized Kennecott as a potential and actual competitor. While Kennecott was in the process of entering into the coal industry Peabody sought to keep Kennecott out of the coal industry. We can think of no more convincing evidence of not only industry recognition of a potential and actual competitor than industry's dramatic reaction when it appeared that the potential and actual competitor was on the verge of becoming a more substantial actual competitor. The salutary effects which Kennecott's entry into the coal industry would have had, as well as its impact by "sitting at the edge of the market," were completely nullified by its decision to substitute itself for the leading company in the industry.

As we recently stated in *The Bendix Corporation*, 3 Trade Reg. Rep. ¶ 19,288, at 21,443 (FTC 1970):

"With the growing concentration of American markets, and the growing mobility of business investments, the crucial role of 'potential competition' as a regulation of economic behavior has been recognized. Not only is actual new entry an essential source of new competition, the potential for which must be preserved, but the mere threat of new entry by firms waiting at the edge of a concentrated, relatively uncompetitive market may be an important support for competition in that market. Thus, Section 7

clearly applies not only to mergers that substantially raise the barriers to new entry... but to mergers which, by eliminating potential competitors and entrants, have the likely effect of substantially lessening competition in the relevant market."

The identical *ratio decidendi* controls in the instant case. Kennecott's acquisition of Peabody, in an industry with an alarming trend toward concentration and high entry barriers, has the likely effect of substantially lessening competition in the relevant market.

The "Toehold" Theory

In his initial decision the examiner insisted that the case turns on the question whether or not Kennecott was a potential entrant *de novo*. Thus, the examiner states:

"The record leaves no doubt that from 1963 until it acquired Peabody, Kennecott was a potential entrant into the production and sale of coal. But the record fails to establish that Kennecott was likely to enter *de novo*—by the acquisition of coal reserves and the development of an organization for producing and selling coal—rather than by the acquisition of an existing coal company." (I.D. 187)

His decision on this point conflicts directly with our recent decision in the *Bendix* case. We reached precisely the opposite conclusion in that (*supra* at 21,445):

"The examiner's analysis of the potential competition problem—focusing exclusively on the probability of Bendix's entry by internal expansion and neglecting the likelihood of entry by merger other than with Fram—was unduly narrow and must be rejected, because it rests upon a misconception of the basic purpose and policy of Section 7. Various forms of merger entry other than through acquisition of a leading company—for example, a 'toehold' acquisition of a small company capable of expansion into a substantial competitive force—may be as economically desirable and beneficial to competition as internal expansion into a relevant market and must be considered in assessing the potential competition of the acquiring firm which has been eliminated as a result of the challenged merger."

This approach is consistent with the congressional intent,¹⁴ as well as court and Commission decisions concerning a Section 7 enforcement policy. In the words of the Supreme Court in *Brown Shoe v. United States*, *supra*, 370 U.S. at 319:

"... at the same time that it sought to create an effective tool for preventing all mergers having demonstrable anticompetitive effects, Congress recognized the stimulation to competition that might flow from particular mergers. When concern as to the Act's breadth was expressed, supporters of the amendments indicated that it would not impede, for example, a merger between two small companies to enable the combination to compete more effectively with larger corporations dominating the relevant market, nor a merger between a corporation which is financially healthy and a failing one which no longer can be a vital competitive factor in the market." [Footnote omitted.]

In *United States v. Wilson Sporting Goods Co.*, 288 F. Supp. 543, 563 (N.D. Ill. 1968), the court observed:

"If instead [Wilson] entered by buying one of the small companies in the field, it would have the effect of increasing the strength of a small company at the expense of the leading companies, and that would be more pro-competitive." [Footnote omitted.]

The Commission itself has followed this approach. "Congressional policy as expressed in Section 7 will be best served in this industry if merger activity is channeled toward the smaller firms."¹⁵

Indeed, the antitrust goal established at a high level of government is to discourage substantial acquisitions and to channel merger activities into directions that would increase competition. Council of Econ. Adv.

Footnotes at end of article.

Ann. Rep. in 1969 Economic Report of the President (1969) at 108:

"* * * Mergers could have a healthy impact on concentration if acquiring firms of very large size were barred from purchasing the leading firms in other concentrated industries. The major route for entry into a concentrated industry by a very large firm then would be to build new capacity or to buy an existing smaller firm. When a very large firm buys a small firm in a concentrated industry, it has the resources to expand that firm's capacity and to try to increase its share of the market. Such a merger can infuse new vigor and ideas in that market."

This rationale is not limited to industries already highly concentrated but, in light of the incipency concept underlying Section 7, applies with equal force to industries heading toward high concentration.¹⁰

Applying these principles to the instant proceeding we believe the examiner erred in his insistence that a finding of illegality depends on Kennecott being a potential entrant by internal expansion. The form of entry is clearly not a determinative factor. Respondent admits that it was a potential entrant by acquisition. While it does not concede that it would have entered by way of a small acquisition, the toehold principle nevertheless applies. With 68 producers in the industry in 1967, there obviously were smaller firms than Peabody which could have been considered as viable acquisition candidates.

Thus, it is our view that Kennecott could have entered the coal industry by way of acquisition of a small company rather than the industry leader. As we have said in *Bendix*, *supra* at 21,449:

"... If Bendix had been allowed to make such an entry, it would have become an actual competitor of Fram, just as Fram would have become an actual competitor of Bendix. That potential rivalry between a leading firm and a significant, well financed, resourceful, and likely new entrant by toehold acquisition was frustrated and extinguished by Bendix's merger with Fram. In the most fundamental and basic sense, the merger eliminated direct—indeed one could say horizontal—competition between Fram and Bendix. And this competition is no less substantial and significant for antitrust purposes because it was potential rather than actual."

It should be added here that Kennecott had undertaken, but subsequently abandoned, actual steps to enter the coal industry in a significant way in favor of acquiring Peabody. This is all the more disconcerting since Kennecott, with its huge financial resources (estimated to amount to almost \$1 billion by 1980), could have expanded the operations of a small company to attain, as originally contemplated by Kennecott, sales between \$100 to \$200 million per annum, making the small company the third or fourth ranking coal producer in the United States. As a result of the Kennecott-Peabody union not only a new competitive force was thereby lost but momentum was added to the alarming trend toward high concentration in the coal industry.

SUMMARY AND CONCLUSIONS

Our review of the record persuades us that the time to act in order to protect competition in the coal industry is now, before that competition becomes non-existent. As detailed hereinbefore, we do not believe the Commission must wait until an industry has become engulfed in oligopoly's stranglehold before it can intercede. Nor was such the intention of Congress. Here, we are dealing with an industry which, although not yet highly concentrated is evidencing an alarming trend toward becoming so. The most desirable way in which this trend could be halted, or even reversed would be in the form of new entry by a company capable of becoming a meaningful competitor in the

industry. At least one such company existed—Kennecott. The record is clear that not only did Kennecott intend to enter the coal industry but also that it had the capacity to become a substantial competitor once it had entered. Instead of entering the industry by way of internal expansion or by toehold acquisition however, Kennecott chose to acquire the leading company. While Kennecott was able to enter the industry and thus add substantial competition, it eliminated this competition by acquiring Peabody. Moreover, concentration on a regional level where the effect of the acquisition would be most keenly felt is extremely high. The elimination of a substantial potential entrant is therefore likely to have a deleterious effect on overall competition.

We might add that here Kennecott had undertaken actual steps to enter the coal industry in a significant way which were abandoned in favor of its acquisition of Peabody. Whatever intention or chance of adding a new competitive force was thereby lost along with the attendant and very real risk of accelerating the already alarming trend towards concentration in the coal industry. We conclude that the effect of the acquisition may be substantially to lessen competition in the coal industry in violation of Section 7. An appropriate order will issue. In our view, an appropriate order here should provide not only for divestiture but also a ban for a period often (10) years on future acquisitions unless approved by the Commission. Heretofore we have taken such action where, as here, it is in the public interest and in furtherance of public policy.

In Camera Exhibits

During the course of this proceeding respondent requested *in camera* treatment of a number of exhibits identified as CX 11, CX 124 A-N, CX 125 A-C, CX 154 A-Z7, CX 163, CX 164 A-H, CX 196 A-E and RX 186. The examiner, after according *in camera* status to these exhibits on an interim basis, denied continued *in camera* treatment of these documents in his initial decision. On April 3, 1970, respondent filed a motion to review the hearing examiner's decision denying continued *in camera* treatment for the eight documentary exhibits. Action thereon was deferred by the Commission pending its review of complaint counsel's appeal on the merits.

In its motion of April 3, 1970, respondent has abandoned its request for continued *in camera* treatment of all but three documents, CX 163, CX 164 A-H, and the exhibit portions of CX 154, designated 154 V-Z7. The following reason is assigned by respondent to warrant continued *in camera* treatment of these documents:

"They were prepared specially for use in connection with the Peabody acquisition . . . [and] contain highly confidential business information and closely guarded secret data, which are not disclosed outside the company (except to involved institutions), and even within the company are confined to specific personnel. The disclosure of the data in these three reports . . . would cause very serious and irreparable injury to respondent and its competitive position. Moreover, there is no countervailing reason why this information should be disclosed to the public or to competitors." (April 3, 1970 motion, pp. 5-6)

Based upon a review of these documents, we have determined to grant respondent's request for continued *in camera* treatment of CX 163, CX 164 A-H, and CX 154 V-Z7. The remaining documents designated CX 11, CX 124 A-N, CX 125 A-C, CX 196 A-H, and RX 186 will become part of the public record.

Motion To Disqualify Commissioner Jones

In their Answering Brief (at p. 19), respondent requests reconsideration of its motion that Commissioner Jones withdraw from participation in this proceeding, or, in the alternative, that the Commission determine that Commissioner Jones be disqualified from

such participation. Respondent's original motion, dated December 31, 1968, was denied by Commission order of June 13, 1969. Since that time no new facts have come to our attention which would cause us to change our position in this matter. The situation is in the same posture as it was when we dealt with it the first time. Respondent's request for reconsideration will therefore be denied. Moreover, the Commission has traditionally and consistently viewed requests for disqualification as a matter primarily to be determined by the individual Commissioner concerned, leaving it within the exercise of that member's sound and responsible discretion. This is only proper and consistent with the law and no basis for departing therefrom has been demonstrated in the instant proceeding.

FOOTNOTES

¹ *Aff'd.* with slight modification, *Abex Corp. v. Federal Trade Commission*, 420 F. 2d 928 (6th Cir. 1970), *cert. denied*, 400 U.S. 865.

² Bain, *Price Theory*, Chapters 5 and 6 (1952); and *Industrial Organization*, at 286 (1959).

³ Smith, *The Wealth of Nations* (The Modern Library, New York) 60. See also J. A. Hobson, *The Evolution of Modern Capitalism*, at 165 (1894); J. B. and J. M. Clark, *The Control of Trusts*, 25-27 (reprinted 1914); J. M. Clark, *Toward a Concept of Workable Competition in American Economic Review*, June 1940; F. W. Taussig, *Principles of Economics*, at 433 (1st ed. 1911); Joan Robinson, *Economics of Imperfect Competition*, at 81 (1932); B. W. Knight, *Economic Principles in Practice*, at 221 (rev. ed. 1942).

⁴ TNEC Monograph No. 21, at 7-8 (1940).

⁵ 173 F.2d 177, 186 (C.C.E.D. Mo. 1909), *aff'd.* 221 U.S. 1 (1911).

⁶ See Loescher, *A Sherman Act Precedent for the Application of Antitrust Legislation to Conglomerate Mergers: Standard Oil, 1911*, in Markham and Papanek, *Industrial Organization and Economic Development*, at 185-6 (1970).

⁷ 328 U.S. 781, 797, 809 (1946).

⁸ In early Federal Trade Commission cases involving false and misleading advertisements, actual and potential competition were acknowledged to be essential ingredients of competition. *Hofeller v. Federal Trade Commission*, 82 F.2d 647, 650 (7th Cir. 1936), *cert. denied*, 299 U.S. 557; *Federal Trade Commission v. Real Products Corp.*, 90 F.2d 617, 619 (2d Cir. 1937); *Electro Thermo Co. v. Federal Trade Commission*, 91 F.2d 477, 480 (9th Cir. 1937); *Justine Haynes & Co. v. Federal Trade Commission*, 105 F.2d 988, 989 (2d Cir. 1939), *cert. denied*, 308 U.S. 616; *Dr. W. B. Caldwell, Inc. v. Federal Trade Commission*, 111 F.2d 889, 890-91 (7th Cir. 1940); *Raladam Co. v. Federal Trade Commission*, 123 F.2d 34, 36 (6th Cir. 1941). While not articulated in the decisions, the cases demonstrate that protection of both the consumer and competitor, including potential competition are the twin goals of antitrust enforcement policy. As the Supreme Court held in *Federal Trade Commission v. Raladam Co.*, "It is obvious that the word competition imparts the existence of present or potential competitors . . ." 283 U.S. 643, 649 (1931).

⁹ *United States v. Philadelphia Nat. Bank*, 374 U.S. 321, 363 (1963).

¹⁰ Bain, *supra*, *Industrial Organization*, at 243. See also, Brodley, *Oligopoly Power under the Sherman and Clayton Acts From Economic Theory to Legal Policy*, 19 Stan. L. Rev. 285, 289-93, 354 (1967); Turner, *The Scope of Antitrust and Other Economic Regulatory Policies*, 82 Harv. L. Rev. 1207, 1225 (1969).

¹¹ Kaysen & Turner, *Antitrust Policy*, at 72 (1959).

¹² A loose oligopoly is "a small number (less than twenty) of firms supplying 75 percent of the market, with no one supplying more than 10-15 percent and a fringe of smaller firms supplying the rest." *Ibid.*

¹³ See Mueller "Structure of the Petroleum

Industry and Its Relation to Oil Shale and Other Energy Sources," report presented before the Senate Antitrust Subcommittee on May 5, 1967 (Economic Papers 1966-69, FTC, Staff Report, at 190, emphasis added):

"Although the 20 large petroleum firms account for a large percentage of all segments of the domestic industry, the petroleum industry is not as concentrated as many other basic industries . . . But it should be remembered that most of the statistics on concentration in the petroleum industry are on a national basis and these generally understate the degree of concentration in local or regional markets. . . ."

"Obviously, those mergers which enable small companies to compete more effectively with giant corporations generally do not reduce competition but rather intensify it." 96 Cong. Rec. 16436 (1950).

¹² *Beatrice Foods Co.*, FTC Docket 6653, issued April 26, 1965 (CCH 1965-1967 Transfer Binder) Trade Reg. Rep. § 17,244 at 22,332; order modified, *Beatrice Foods Co. v. F.T.C.*, 1967 Trade Cases § 72,124 (9th Cir.). See also, Turner, *Conglomerate Mergers and Section 7 of the Clayton Act*, 78 Harv. L. Rev. 1313 (1965); McLaren, *Antitrust and the Securities Industry*, 11 B. C. Ind. & Com. L. Rev. 187, 191 (1970). For repeated statements to this effect by Assistant Attorney General McLaren, Antitrust Division, Dept. of Justice, see 5 Trade Reg. Rep. § 50,244 at 55,500 (March 27, 1969); 403 BNA Antitrust & Trade Reg. Rep. at -2 (April 1, 1969); 412 BNA id. at -2 (June 3, 1969); 5 Trade Reg. Rep. § 50,259 at 50,544 (October 8, 1969); similar views are found in Campbell & Shepherd, *Leading-Firm Conglomerate Mergers*, 13 Antitrust Bull. 1361, 1371 (1968); see also, Narver, *Supply Space and Horizontality in Firms and Mergers*, 44 St. John's L. Rev. 317, 319 n. 9 (spec. ed. 1970).

¹³ We heralded this view in our *Bendix* decision, supra at 21,445-46: "We think it clear that Congress was concerned in Section 7 with the preservation of new and potential competition in any form: that new entry, if beneficial and procompetitive, is to be encouraged regardless of its form, and that a merger with a leading firm, especially in a concentrated industry, which eliminates the likelihood of such desirable entry through a toehold acquisition is embraced within the prohibitions of the statute."

A MORATORIUM ON NEW STREAM CHANNELIZATION

The SPEAKER. Under a previous order of the House, the gentleman from Wisconsin (Mr. REUSS) is recognized for 20 minutes.

Mr. REUSS. Mr. Speaker, last week I brought to the attention of the House that national environmental organizations, State fish and game agencies, and the Department of the Interior, which has responsibilities for the protection of our fish and wildlife resources, are all gravely concerned that channelization is destroying America's streams and wetlands and seriously polluting the Nation's waterways.

These groups have made a strong argument that all stream channelization projects should be halted to enable in-depth study and review of the environmental effects of channelization. They have recommended that none of the nearly \$45 million which the Department of Agriculture plans to spend for stream channelization works in fiscal 1972 be used for that purpose.

When the House considers the Agriculture Department's appropriations bill, H.R. 9270, this coming Wednesday, June 23, an amendment will be offered to prevent the use of funds for new stream channelization projects during fiscal year 1972. The amendment would affect about \$20 million of the \$45 million. Thus, the amendment would achieve the objective desired by so many of the critics of stream channelization—a temporary moratorium on new channelization works of the Department of Agriculture. This moratorium will provide needed time for the States to review the environmental effects and to insure that each project is in the public interest. It would insure that the 20,000 more miles of streams the Department of Agriculture plans to channelize would not be done without this moratorium by review and reevaluation.

The amendment does, though, fall short of what the environmentalists would have desired. It will not affect channelization in any project any part of which is now in the project construction stage. The Soil Conservation Service has explained this term in its budget request before the Subcommittee on Appropriations—part 3, page 511, 1972—as follows:

The project construction stage begins with the execution of the first project agreement or contract for construction of works of improvement.

We are not attempting to upset arrangements in projects which are already underway.

The moratorium will be just a continuation of the one recently self-imposed by the Department of Agriculture in its Watershed Memorandum 108. Under it, the Department is making a categorization of all its outstanding projects, on the basis of their environmental impact. By July 1, 1971, the results of the initial categorization of projects under this newly instituted environmental review will be available to the Department's policymakers and the public for evaluation and comment. A temporary moratorium is a most appropriate way to provide the necessary time for a searching review and analysis of the Department's categorization of projects.

The amendment will also enable the States to weed out those unstarted projects which, in the overall interest of the State, would be environmentally detrimental. Many projects were planned several years ago, when adverse environmental effects of channelization were not clearly understood.

The Water Resources Council could proceed at once to carry out its plan, announced at our subcommittee's hearings on channelization, to do a full in-depth study of the effects of stream channelization.

The overwhelming majority of evidence to date supports the conclusion that stream channelization seriously damages and pollutes thousands of miles of our Nation's streams, increases downstream flooding, silts up our waterways, lowers around water levels, destroys fish and wildlife habitat, and damages our Nation's hardwood timber resources. It

will ultimately cost the Treasury over \$325 million.

At this time, I insert the text of our amendment and copies of two pages—511 and 512—from hearings of the House Subcommittee on Appropriations, part 3, on the fiscal year 1972 Agriculture appropriations bill:

Funds appropriated by this Act shall not be used for engineering and construction of any stream channelization measure under any program administered by the Department of Agriculture, unless that measure is in a project any part of which was in the project construction stage prior to July 1, 1971.

STATUS OF PUBLIC LAW 566 WATERSHED PROJECTS

Watershed work plans are prepared by sponsoring local organizations with the Department's assistance or with their own resources—After the work plans have been approved by the Department or the Congress as suitable for federal participation, technical and financial assistance can be provided for installation of works of improvement specified in the work plans. Projects involving an estimated federal contribution in excess of \$250,000 for construction, or construction of any single structure having a capacity in excess of 2,500 acre feet, require congressional committee approval.

Engineering services and assistance with land treatment are furnished on approved projects before they are advanced to the actual construction stage. During this stage, surveys and investigations are made and detailed designs, specifications, and engineering cost estimates are prepared for construction of structural measures. Areas are delineated where sponsors need to obtain land rights, easements and rights-of-way. Technical assistance is furnished to land owners and operators to accelerate planning and application of needed conservation land treatment measures in the watershed.

The project construction stage begins with the execution of the first project agreement or contract for construction of works of improvement. Under a project agreement, the sponsoring local organization agrees to construct a segment of the project which may consist of an individual or interrelated group of structures. The project agreement obligates the government and the sponsoring local organization to share the construction costs as agreed to in the work plan. Engineering and other services are provided for the preparation of contracts and inspection of construction.

When the local organization does the contracting, payments are made to them as the work progresses in accordance with the terms of the project agreement. When the local organization requests the SCS to do the contracting for works of improvement, the SCS makes payments directly to the contractor as the work progresses. This includes both amounts financed from federal funds and contributions received from local organizations for their share of construction costs. Technical assistance in planning and installing conservation land treatment measures is continued as agreed upon in the watershed work plan.

In fiscal year 1970, 64 projects were approved for operations which brought to 1,001 the total number of projects approved as of June 30, 1970. Two-hundred and thirty-eight of these projects were completed prior to 1970. Of the 763 projects in operations in 1970, 223 were receiving preconstruction land treatment and engineering services and 429 were in construction at the end of the year. Thirty-eight of the latter were new construction starts in 1970. Thirty-five projects were

completed in 1970, which brought the total number completed to 273 as of June 30, 1970. Land treatment assistance was continued on 18 projects on which construction had been completed prior to 1970. Fifty-eight of the approved projects did not require federal funds during the fiscal year

1970 because of project inactivity, approval late in the fiscal year, or having no work scheduled for that year.

PROJECTED PUBLIC LAW 566 PROJECT ACTIVITY AND OBLIGATIONS

The following tabulation shows the status of Public Law 566 projects by stage of as-

sistance and amounts obligated or estimated to be obligated. The table also shows minor obligations for project evaluation studies, advances for future water supply, and balances remaining in the undistributed equipment account which have not been distributed to projects.

[Amounts in thousands]

	1970 actual		1971 estimate		1972 estimate	
	Number	Amount	Number	Amount	Number	Amount
1. Projects approved for operations and estimated cost of completion:						
(a) Uncompleted projects at beginning of year.....	699	\$627,336	728	\$678,138	738	\$719,263
(b) Projects approved during year.....	64	116,820	65	118,600	65	118,600
Total.....	763	744,156	793	796,738	803	837,863
2. Status of projects and amounts obligated:						
(a) Project not requiring funds.....	58		60		63	
(b) Projects receiving pre-construction land treatment and engineering services.....	223	4,757	212	4,752	218	4,796
(c) Projects moved into construction stage during year.....	38	13,176	70	15,400	60	13,200
(d) Prior year projects continuing construction and land treatment.....	391	47,430	371	56,204	382	56,017
(e) Projects with construction completed continuing land treatment.....	18	148	25	250	25	250
(f) Projects completed during year.....	35	\$533	55	\$869	55	\$869
Total projects.....	763	66,044	793	77,475	803	75,132
3. Obligations not included above:						
(a) Advances for future water supply.....		5		190		190
(b) Project evaluation studies.....		56		25		25
(c) Undistributed equipment account.....		-32		25		25
Total.....		66,073		77,715		75,372
4. Uncompleted projects (cumulative) at end of year:						
(a) Obligations to date.....	728	446,137	738	490,684	748	519,190
(b) Estimated cost of completion.....	728	678,138	738	719,263	748	762,731
5. Projects completed (cumulative) and total cost.....	273	131,072	328	164,000	383	210,650
6. Total projects approved (cumulative) and total cost.....	1,001	1,302,050	1,066	1,420,650	1,131	1,539,250
7. Obligations (cumulative):						
Projects.....		577,209		654,684		729,816
Other.....		1,264		1,504		1,744
Total.....		578,473		656,188		731,560

¹ Includes \$8,660 for Institute of Tropical Forestry.

STRUGGLE OF THE SOVIET JEWS

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. PODELL) is recognized for 10 minutes.

Mr. PODELL. Mr. Speaker, earlier this month on the 10th and 15th of June, I informed my colleagues of the continuous harassment I encountered during my trip to the Soviet Union. Since the purpose of my journey was to gain a firsthand knowledge of the persecution suffered by Soviet Jews, the conversations I had with members of the Russian Jewish community are of paramount importance in documenting the real story of that persecution. Today, I would like to recount for you some of these harrowing, yet informative conversations.

Before I actually begin, it must be explained that none of my "discussions" were conducted by word of mouth. Every room I entered was electronically bugged. If any of the people to whom I spoke should be overheard expressing complaints about persecution, they would soon be arrested. Therefore, speech was impossible. Similarly, we could not use pencil and paper, for fear that the secret police would break in and confiscate our writing, as evidence of "anti-Soviet activities."

The problem was solved with the use of a simple child's toy—a "magic" erasable slate. This device enabled us to communicate without leaving any traces that could be picked up either by hidden bugs or marauding government agents.

Many of these talks took place inside one of Moscow's few synagogues. During the course of one such discussion, I asked a man whether as a Jew he experienced any persecution at the hands of the Soviet Government. He replied "No." I then asked him if he wished to immigrate to Israel. Again he answered "No." But throughout his negative replies, this man continually nodded his head affirmatively—indicating that "Yes, I am being persecuted," and "Yes, I do want to escape to Israel, but I am afraid that even the synagogue is bugged, and that I would be arrested if my true sentiments were ever made known."

I also spoke to another young man, later in the afternoon, just before Mincha—afternoon prayers—was to begin. He was answering my questions in low, hushed whispers when suddenly he stopped speaking. He then pointed to another man who had just entered the building. My companion made a covert thumbs-down gesture—signaling to me that this newcomer was a man who could not be trusted. Even among his fellow worshippers he suspected spies and government agents.

"Why," you may wonder, "Is this anti-Semitic harassment so widespread and vicious? What could the Soviets possibly hope to gain my maliciously badgering each and every community of Jews?"

Recent developments, such as the kangaroo court trials in Riga and Kishinev, have made the answer to these questions painfully clear.

The purpose of this harassment is to intimidate the Jews of Russia so that they will no longer proclaim their desire for a Jewish life and culture. So that they will no longer proclaim a free, independent identity as Jews. So that they will no longer proclaim their intention to leave the oppression of Russia for their homeland in Israel.

Throughout my trip I did not see very many optimistic or encouraging sights. However, I am happy and especially proud to tell you that despite the trials, despite the jail sentences, despite the spying and bugs, the Jews I met in the Soviet Union are neither cowed nor intimidated. Rather, as has happened throughout the history of the Jewish people, the Russian perversion of justice have only strengthened our will. The Soviet Jews are reinforced in their determination to press on for their rights, no matter what the cost.

I returned from the Soviet Union with poignant evidence of this determination. With me I brought a petition, signed by a dozen Jewish mothers from Moscow and Leningrad. The petition was addressed to the leaders of the Soviet Government. In it, the mothers were requesting that their children be allowed to emigrate to Israel. In return, the mothers themselves would remain behind, as hostages in Russia.

Any parent, any human being, can appreciate the tremendous sacrifice involved in this brave act. These 12 women stand prepared to send away their children, perhaps never to be seen again, so

that these children, and their children after them will be able to live as free men and women—as Jews.

In recent weeks, the Soviet Government has made some concessions. A handful of Jews, a few thousand, have been allowed to go, there are hundreds who have had applications to emigrate refused. There are still tens of thousands, perhaps even hundreds of thousands of Russian Jews who are being held captive in the Soviet Union. To make the plight of these prospective emigrants even more desperate, the Jew who makes application to leave Russia is immediately discriminated against. Often, he is fired from his job, or at least demoted. His children are not permitted to advance in the school system; his family is subject to taunts and harassment.

Near the end of my journey, I met with one such family. They had applied for a visa to Israel more than a year ago. They have still heard nothing from the Soviet Government.

The father was an electrical engineer, the mother, a physicist. Both had been fired from their jobs immediately after their application was submitted. For more than 12 months, neither of them had been permitted to earn a single ruble. Their children had been denied entrance into a university.

When I entered their tiny one-room flat, I was shocked into speechlessness. The conditions under which this family was being forced to live would have put to shame some of our worst slums.

There was no furniture in the room—everything had been sold during the previous year to pay for food and rent. There was nothing left to sell.

My first instinct was to offer them any money I had with me, just to enable them to survive. Yet they refused to accept anything.

"We are already dead," they told me. They realized that their application for visas would never be approved. That they were condemned to live out the rest of their lives hounded by Russian anti-Semitism.

Yet even in this dismal situation, their spirit was not broken. "We have only one thing to request of you," they said, "to tell the world what is happening here. Not to spend 1 day without telling someone about how the Jews of Russia are still fighting for their freedom. So that someday our children, or perhaps even their children, will be able to freely and proudly exhibit their Jewish faith."

That is why, Mr. Speaker, I am taking the time to let my colleagues know the full details of my experiences in the Soviet Union. To fulfill my pledge to that courageous Russian couple. And to ask my fellow-concerned Representatives to make a similar pledge. Not to spend 1 day without telling someone, in speech or in writing, about the struggle of the Soviet Jews. So that some day these valiant fighters for freedom will be able to openly and proudly practice their Jewish faith.

STORM CLOUDS OVER PANAMA

The SPEAKER. Under a previous order of the House, the gentleman from Pennsylvania (Mr. Flood), is recognized for 10 minutes.

Mr. FLOOD. Mr. Speaker, as I have predicted on a number of occasions in the Congress, the situation at Panama is verging toward another crisis. In an illuminating page 1 story from Panama City, the June 17, 1971, issue of the Wall Street Journal gives details of Isthmian developments that are well understood by U.S. citizens in the Canal Zone but which have been generally ignored by the mass news media in the United States. They are storm clouds over Panama.

Some of the highlights of the news-story are here summarized:

First. Diplomatic discussions will start in Washington between the United States and Panama in June 1971 for the replacement of basic Panama Canal treaties.

Second. The military government of Panama controls its provisional president and his puppet cabinet.

Third. Opposition to the government is silenced by jailing, exile, and fear of personal violence.

Fourth. Political parties and the National Assembly have been banned.

Fifth. An organized campaign of hostility toward the United States has been started.

Sixth. Violence against the United States comparable to that of January 1964 may be in store if the United States balks in ceding sovereignty over the Canal Zone to Panama.

Seventh. Six daily newspapers in Panama are run under publishers appointed by the government.

Eighth. Leftists appointed to high government positions include Romulo Escobar Bethancourt, who is known to have been a Marxist.

Ninth. Important Panamanians seek intervention by the United States.

Tenth. Asserts that except for a "handful of Congressmen who charge that the Soviet shadow is beginning to reach across the Panama Canal," U.S. officials oppose intervention.

Eleventh. States that Panama, largely because of the Panama Canal, has a per capita income of \$625, making Panama the third or fourth highest per capita income country in all of Latin America.

As regards the banning of the National Assembly of Panama, information believed to be reliable is to the effect that the recently constructed National Assembly building is being converted into a permanent office building for use by the Panamanian Government. This clearly indicates the intention of the military government to remain in power indefinitely.

In connection with the implication that only a "handful of Congressmen" are concerned with the Panama Canal question this is simply not true. After an extensive debate on raising the Panama flag in the Canal Zone, the House of Representatives voted against it by 381 to 12. At present, more than 60 Members of the House have introduced or co-sponsored identical resolutions opposing any cession of U.S. treaty-based rights, power, or authority either to Panama or any international organization. For those who think the opposition in the Congress is bluff they can wait and see, for the overwhelming mass of our people are opposed to any surrender at Panama re-

gardless of the supine attitude and silence of high officials of our Government.

In order that the Congress and the Nation at large may have the information contained in the indicated news-story, I quote it as part of my remarks:

PUZZLE IN PANAMA—TORRIJOS BRINGS CALM, PROSPERITY TO NATION AT EXPENSE OF FREEDOM

(By James C. Tanner)

PANAMA CITY.—Over lunch of chicken and rice in the sprawling white headquarters of the National Guard, Brig. Gen. Omar Torrijas, the nation's dictator, tells this story: While visiting peasants recently, he tried to explain his agrarian-reform plan. But they talked and talked and wouldn't let him get a word in. Finally, he exploded, "For Pete's sake, who's the dictator here?"

Actually there's no doubt who the dictator of Panama is. The only doubt is the direction in which this country may be headed under the 42-year-old strong man. The U.S. is concerned, of course, because of key U.S. military bases here and the strategic Panama Canal.

That U.S. stake in Panama will come under scrutiny this month, when the U.S. and Panama begin negotiations in Washington covering controversial treaties in effect since 1903. The talks will concern replacing these pacts with new ones governing the operation of the bases and the canal.

Aided by a heavy flow of U.S. financing, Gen. Torrijas has brought a goody measure of prosperity and what he calls "social peace" to this volatile S-shaped isthmus since the National Guard took over in a bloodless coup in late 1968.

The general, supported by the powerful paramilitary guard he commands, controls Panama's provisional president and a puppet cabinet. For the moment, at least, he has silenced all opposition by jailing or driving into exile major foes and by abolishing the national assembly, banning political parties and muzzling the press.

But now Gen. Torrijas is setting out on a bold new course to build popular support and possibly to put new pressure on the U.S. as the treaty negotiations approach. He openly admires the leftist military regimes of Peru and Bolivia, and he is beginning to steer his government to the left also.

Observers see in the trends ominous hints of an anti-U.S. campaign designed to wring new concessions from Washington regarding the 50-mile-long canal, which splits Panama geographically and psychologically. For the coming talks, Gen. Torrijas handpicked the three negotiators, whom he describes as "the new intellectual aristocrats" of Panama. Some Americans here fear that major demonstrations against the U.S. will follow, perhaps leading to mob violence and riots similar to those that began in 1964.

A PROBLEM OF JURISDICTION

Gen. Torrijas agrees that there may be violence. But he says this will occur only if the U.S. again balks on the hot issues of jurisdiction over the 10-mile-wide canal zone and of Panama's share of the waterway's growing revenues. The U.S. has repeatedly refused Panamanian demands to give up its control of the zone and to increase the flat royalty of \$1,930,000 that Washington pays annually to Panama.

Gen. Torrijas insists, however, that he has been making sweeping changes among top governmental officials not because he wants to pressure the U.S. but because he is looking to the poor of Panama for the power base he lacks. With some success he is wooing peasants, workers and students. At the same time he has decreed stiff new taxes and other measures equally distasteful to the oligarchy—the wealthy families who traditionally have owned most of Panama's resources and, until the National Guard assumed power, its politics.

In the process, some known Marxists are finding work in key government agencies, and critics of the government contend they are being encouraged to do so by the leftists Gen. Torrijos named to top government posts. Indeed, the Moscow-leaning Communist Party in Panama is operating openly although all political parties and politicking are outlawed by the Torrijos government. (But a Peking-oriented Communist group has been smashed by the National Guard.)

MAJOR CAUSES FOR CONCERN

It was a recent cabinet shakeup by Gen. Torrijos, however, that is causing the most concern among businessmen, who worry that the backgrounds of some of the new ministers are a clear indication of the government's leftist push.

Most of the new ministers term themselves pragmatic nationalists. "I believe in a social reordering that will bring justice," says Jose Guillermo Alzpu, the new finance minister. "If it's necessary to call that socialistic, then I may be a little bit to the left."

Even some of the dictator's most avid supporters have been saddened by his appointments of Juan Materno Vasquez to the prime post of minister of government and justice and of Romulo Escobar Bethancourt as rector of the University of Panama. Vasquez is a brilliant but controversial jurist known to have been a Marxist, and Escobar is an extreme leftist who numbered among his friends Cuba's late Che Guevara.

Both are former classmates of Gen. Torrijos, who praises their political expertise and staunchly defends them. "As an adolescent one gets to be an anarchist by virtue of social injustice," the dictator says. "But if after reaching 30 he still follows that line, he is a fool."

Gen. Torrijos firmly declares: "Those who oppose us brand us Communists. But the humble classes of people who make up nine-tenths of our population are more concerned with the intentions of the government than its origin." Then he adds, "The first rule of government is not to fail."

Following this rule, the dictator stumps the interior by helicopter to increase his popularity among peasants and workingmen. To keep the oligarchy in hand, he exercises an old tactic of dictators—fear.

Even if criticism of the government weren't a crime—and it is—there wouldn't be any place to voice it. The six daily newspapers are run by publishers appointed by the government. All political meetings are banned. Former politicians are afraid even to be seen talking with a foreign newsman. Through an intermediary a meeting is arranged with a former president. But on the way to the site the reporter is taken on a twisting path through back streets so that anyone following will be thrown off the trail.

Many Panamanians insist that their phones are tapped and complain of harassment by the government. It is well-known that the government has built a network of informants. The investigative arm of the National Guard openly appeals for additional informers. In a series of newspaper ads, it urged that "suspicious persons" and "important information" regarding "security of the country" be reported to the Guard.

Government spokesmen insist that no political prisoners are being held. Other sources maintain that at least 200 are in Panama's jails. Just after the 1968 coup, there were an estimated 1,600.

"WELL-TRAINED, LEAN AND MEAN"

But plotting against the government continues despite arrests and other harsh restrictions imposed by the Guardsmen, whom one U.S. military analyst describes as "well-trained, lean and mean." One recent plan to topple Gen. Torrijos was postponed at the last moment. But many Panamanians opposed to the dictator say any change in government depends largely on the U.S.

Some are bitter because the U.S. hasn't at least choked off funds that help the general

stay in power. And a former holder of a high Panamanian political post says the U.S. is "morally obligated to intervene."

Except for a handful of Congressmen who charge that the Soviet shadow is beginning to reach across the Panama Canal, U.S. officials generally disagree with the theory that Washington should intervene. These officials note that President Nixon's approach is to deal with governments as they are.

Because of the restraints against politicking and criticism, there apparently isn't anyone closer than Miami who has a chance of overthrowing Gen. Torrijos. The most likely prospect is Arnulfo Arias, the legally elected president of Panama.

BATTING AVERAGE: THREE FOR THREE

Mr. Arias is perhaps the most popular and controversial political figure ever to emerge in Panama. A former wealthy plantation owner and Harvard-trained surgeon, he has always drawn strong support among the nation's poor. But some in the oligarchy scorn him, and the National Guard has always fought him. He has been elected president three times, only to be ousted by the Guard on each occasion. The last time he served as president for only 11 days. Now nearing 70, Mr. Arias lives in exile in Miami.

Mr. Torrijos, a major in a province garrison at the time, surfaced as one of the instigators of the October 1968 Guard revolt against President Arias. Subsequently, Mr. Torrijos emerged as the leader. In December 1969 while the general was on a trip to Mexico, a group of colonels in the Guard staged a counter-coup—brief and unsuccessful. Gen. Torrijos hustled back to Panama, marching triumphantly into the capital just in time to intercept telegrams intended for his would-be successors.

Moving to strengthen his political base, Gen. Torrijos appointed as provisional president Demetrio B. Lakas, a Panama contractor and trusted friend. Speaking in a Texas accent after seven years spent in that state, President Lakas bristles at talk that the general now is turning to the left. "I will never follow a Communist," the president declares, "but I will follow a man with social sensibility."

A suggestion of this "social sensibility" came a year ago. In a letter to Sen. Edward Kennedy, Gen. Torrijos predicted the emergence of "a new type of military" in Latin America "convinced of the value of peaceful changes that promote the replacement of old structures."

EXCEDRIN HEADACHE—LATIN STYLE

Today Gen. Torrijos doesn't give any indication he plans to restore constitutional government any time soon. "One thing proved in the Americas," he says, "is that the parliamentary systems and political parties are obsolete museum figures." He contends that "every country has to look for its own brand of aspirin to cure its own headaches."

Indications that the general was setting out on a deliberate course to cross the U.S. began appearing months ago. First, he refused to renew an agreement on U.S. use of the Rio Hato air base, from which Americans now have withdrawn. Then he told the Peace Corps to go home. And he recently announced that Japan was interested in bidding on construction of a new sea-level canal across Panama, a waterway that many authorities believe will soon be needed to handle increasingly larger ships.

Whatever his differences with the U.S. Gen. Torrijos is getting some plus marks at home. His government attracts bright young men with advanced degrees from U.S. universities who are pleased at the social challenges and the lack of bureaucratic red tape. To get laws passed, all they have to do is persuade the general to issue a decree. "Technicians and intellectuals disappear from the political arena when a government is dangerous. Here there is a remigration of brains," says Hernan F. Porras, the minister of commerce and industries.

The streets of the capital are free of garbage—long a political issue—and the gross national product of Panama has reached \$1 billion and grows in real terms at a rate of 4 to 5 a year. Per-capita annual income approaches \$625, ranking third or fourth in Latin America.

THE ROLE OF THE CANAL

The canal is a big contributor. In payrolls and purchases, it adds about \$160 million a year to the Panamanian economy. The U.S. has lent Panama \$100 million in the past 10 years, much of it since Gen. Torrijos has taken power.

How much of the prosperity is due to government pump-priming isn't known. It has borrowed heavily from abroad, and some observers suggest that Panama may be nearing a credit crunch. "What happens when the money runs out?" one observer asks.

The government, however, is beginning a push for tourists and is trying to attract more foreign investments. A wave of such investments is coming in from South America, Europe and Japan, and U.S. companies have already invested \$1 billion here.

"For peace and prosperity we are giving up certain intangibles, like freedom of speech and the other political rights," a Panamanian businessman says. "How soon we get to the point where the sacrifice of intangibles no longer is equal to the tangles we have gained is the big question."

HOUSE PASSES BILL EXTENDING STUDENT LOAN AND SCHOLARSHIP PROVISIONS

The SPEAKER. Under a previous order of the House, the gentleman from Georgia (Mr. STUCKEY) is recognized for 10 minutes.

Mr. STUCKEY. Mr. Speaker, on June 17 the House passed H.R. 7736, to extend for 1 year the student loan and scholarship provisions of titles VII and VIII of the Public Health Service Act.

Although it was necessary for me to be away from the proceedings of the House at the time, I am most pleased to see that this bill was passed. I consider this program essential and had I been present, I would have been recorded as voting "Yea."

PROPOSED FARM CREDIT ACT OF 1971

The SPEAKER. Under a previous order of the House, the gentleman from Missouri (Mr. BURLISON) is recognized for 15 minutes.

Mr. BURLISON of Missouri. Mr. Speaker, I am pleased to announce today my cosponsoring of the proposed Farm Credit Act of 1971. Hearings on the proposed legislation will begin on July 12 before the House Committee on Agriculture.

The need for borrowed capital continues to grow at an expanding rate among the rural communities of America.

The Farm Credit System over the years has been the primary and sometimes sole source of financial aid to rural citizens. The System has evolved from a series of laws passed by the Congress, beginning in 1916. The precautionary limitations incorporated at that time are now inhibiting the extension of the amount and types of credit, and the flexibility needed by the modern farm community.

The bill which I am cosponsoring will modernize the Farm Credit System, while maintaining those parts which have

proven workable and beneficial to the American farmer. Because of numerous statutes which have established the various branches of the Farm Credit System, an extremely complex set of laws has to be administered. The result has been unwarranted differences in eligibilities and credit standards within the System.

A critical appraisal of the Farm Credit System was made by the Commission on Agricultural Credit, established by the System's Farm Credit Board to evaluate the credit needs of the farming community in the 1970's. This board of 27 national farm leaders, representing the various sectors of the farm community, made an in-depth examination of the authorities, processes, and services of the entire farm credit system. Their report suggested various goals and recommendations for improvement, the majority of which have been incorporated into this bill.

One new area of credit extension recommended will be in the field of rural residence financing. The Federal land banks and intermediate credit banks will be authorized to make loans in this area for the building, buying, improving, and repairing of nonfarm rural homes. This provision will allow the Farm Credit System to contribute in a new way to rural development. This service will fill a gap between areas served by saving and loan associations and the areas served by subsidized credit for public housing and the Farmer's Home Administration low-income borrowers' loans.

This bill will also provide for the financing of farm-related services such as custom spraying, pruning, and harvesting. Short- and long-term loans will be available through the intermediate credit banks and the Federal land banks, respectively, encouraging development of services essential to modern profitable farming.

Federal loan banks, intermediate credit banks, and production credit associations will be permitted to participate in loans with other entities of the same kind in their own branch. Likewise, they may participate in loss-sharing plans. This new proposal also authorizes the mergers of districts, and like entities within a district.

Land banks and production credit associations will be permitted to increase their stock investment requirement to 10 percent for additional capitalization, thereby expanding credit availability.

Permission will be granted to the Federal land banks and intermediate credit banks to own and lease necessary facilities and equipment as needed by eligible borrowers, enabling farmers to have use of infrequently used, but valuable and expensive machines and buildings.

The two banks will be permitted to issue different classes of stock including nonvoting stock and participation certificates to nonfarmer rural borrowers. Accompanying differences in voting and dividend rights would result. The expressed purpose is to extend the scope of the banks' service in rural areas with minimum dilution of rights of existing owners.

The issuance of systemwide bank notes, bonds, debentures and other obligations will be permitted and encour-

aged for ease of transaction and uniformity within the system.

Under this proposal each of the several institutions is given authority to merge with like institutions when necessary or appropriate to accomplish their objectives in an economical way.

In addition, each division of the system may participate with other commercial and nonfarm financial institutions in meeting the credit needs of our farmers.

For the Federal land bank specifically, this bill would remove the restriction which limits loans to 65 percent of the farm's appraised value, thus creating a greater flexibility in mortgage lending. This step will place more of the new loan responsibility on the bank, and will undoubtedly be important to young farmers as they seek adequate financing for their new enterprises.

Sound security other than first mortgage on real estate would be acceptable in certain situations, thereby making credit available for long term credit needs. Much needed flexibility would be provided when the farmer has clear repayment capacity and additional collateral to supplement rural real estate.

One added benefit to the farmer will be the provision for flexible interest rates agreements which reflect significant shifts in money cost during the life of the loan. This would permit long term lending without penalty for inflationary and deflationary changes.

Lending authority will also be broadened to permit the making of continued commitments for credit to borrowers with adequate security and the extension of other financial assistance of a similar nature.

New authorizations for the intermediate banks include the right to purchase stock in, or contribute to, the surplus of Production Credit Association, thus making additional funds available for credit use.

A second important provision is the extension of maturity limitation on intermediate credit bank loans from 5 to 7 years.

Banks for cooperatives will be allowed to increase the maximum ratio of authorized debentures or similar obligations to the net worth of the cooperative from the present 8 to 1 limit to 20 to 1. This would bring banks for cooperation in line with the other branches of the Federal Credit System and greatly extend credit availability to qualifying cooperatives.

In another effort to extend credit to a wider range of the rural community eligible cooperatives would need to have only two-thirds of their membership composed of farmers, producers, or harvesters of aquatic products. Eligibility would also be extended to fishery cooperatives.

It should be noted that my bill does not extend the operation of the Federal Farm Credit System to financially related services, as has been proposed by some. Examples of such services that have given are estate planning and recordkeeping. I feel that such an extension would be carrying the system too far. Estate planning and recordkeeping are functions equally essential for business

and professional people. There is nothing about those services which are peculiar to farmers. These are fields more appropriately left to our conventional lending institutions. Furthermore, I believe that if we take our Federal Farm Credit System so far afield, there will be an irresistible demand from the public to terminate the preferential tax status enjoyed by our Federal Farm Credit System. I am in accord with the administration on this point and subscribe to the statement of Under Secretary of Agriculture Phil Campbell made before the Senate Committee on Agriculture and Forestry's Subcommittee on Agricultural Credit on May 20, 1971:

The Administration has reservations about the possible imbalances in the competitive relationships between private lenders and the Farm Credit System which could result from the Farm Credit System entering into new fields of lending and services while maintaining current tax exemptions.

I am convinced that the next decade will be a crucial time for funding the lending operations of the farm credit banks. Both political and economic factors promise a degree of competition by borrowers in the money and capital markets heretofore unknown to the Farm Credit System. In the past 10 years the debt of the Farm Credit System has tripled. The total of all securities outstanding was less than \$10 million in 1960, but now is nearly \$40 million. This trend is expected to continue. To meet this need, the Farm Credit System must be modernized and made more responsive to the American farming community which it is designed to serve. Therefore, Mr. Speaker, I urge the careful study of this important bill, for its success will have a great impact on the well being of rural communities in the decade ahead.

A NEW PROPOSAL TO AID CALIFORNIA EARTHQUAKE VICTIMS

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. CORMAN) is recognized for 10 minutes.

Mr. CORMAN. Mr. Speaker, reports estimate \$270 million worth of private property damage as a result of the earthquake in Southern California last February. With public property costs included, the destructiveness of this earthquake ranks it among the costliest disasters in the Nation's history. Despite the relatively low loss of life and the limited number of collapsed structures, this was indeed a catastrophe to those in the affected area.

The aid that has been provided by Government agencies and private groups has been greatly appreciated by those families who suffered the consequences of the disaster. I do not want to minimize the importance of the efforts that have been made to assist those who experienced personal injury and property damage. However, the emergency programs which have been in effect do not provide enough assistance to some of the families.

A relatively small number of people are still facing the biggest crisis resulting from the earthquake—how to pay for necessary repairs of homes where dam-

age runs into the tens of thousands of dollars, or how to pay the costs of a new home, and at the same time continue to make monthly mortgage payments that existed before the earthquake on homes that are now destroyed or severely damaged.

Last April I introduced several disaster relief bills, and I promised that I would continue to explore all possibilities, take all feasible approaches and investigate all existing programs in order to deal adequately with the aftermath of the catastrophic earthquake. Today I am introducing another vital part of the comprehensive package of legislation that I promised and that I think is necessary to assist the people of Southern California as they attempt to recover from the consequences of the February disaster.

The bill I am introducing today will provide additional relief to those families in the Los Angeles area who experienced total destruction or substantial damage to their homes and who are unable to meet the increased costs it will require to repair or replace their homes. My bill, if enacted, authorizes the President to use his authority under the existing SBA homeowners program in the Disaster Act of 1970 to provide additional relief by increasing the \$2,500 forgiveness advantage to that amount which will insure that the SBA loans acquired to pay for repairs or rebuilding plus existing mortgages will not exceed the monthly payments families were making on their homes before the earthquake. For those who had no outstanding mortgage obligations before the earthquake, my act provides that the forgiveness advantage be increased to the amount necessary to reduce monthly payments on SBA loans for repair or replacement of damaged homes to no more than one-fourth of the homeowners monthly net income. In both cases the bill provides for a maximum increase in the forgiveness advantage of \$15,000 for any one home.

I have already stated that many who experienced the earthquake have received substantial assistance and most have received sufficient aid through existing programs to restore their homes and lives to normal. However, there are still a few families who face a future of monthly payments that they simply cannot afford. The purpose of my bill is to help these individuals provide suitable homes for themselves and their children, and at the same time help to hold the monthly financial obligations on their homes to the level they were before the earthquake.

Early in its history this Government decided it was proper and necessary to use the collective resources of the country to assist individual victims of disasters.

Mr. Speaker, I include in the RECORD, following this statement, a list of congressional acts which provided such assistance beginning as early as 1863 with \$200,000 for "relief of persons damaged by Indian depredations in Minnesota" and as recent as the \$55 million provided in 1964 as a result of the Alaskan earthquake. This Congress has also felt the

responsibility of aiding victims of disasters in other countries.

Congress has traditionally, and I believe correctly, defined one of its responsibilities to be that of providing assistance to those who cannot on their own recover from personal injury or property damage resulting from a major national disaster over which they had virtually no control. This Congress will be fulfilling one of its most honorable duties if it acts favorably upon this legislation and thereby comes to the assistance of those people in southern California who experienced the most severe damage to their property in the February earthquake. At this time I submit a copy of my bill for inclusion in the RECORD:

DISASTER RELIEF—CONGRESSIONAL ACTS PROVIDING FUNDS FOR RELIEF OF SPECIFIC DISASTERS

1863—Relief of persons damaged by Indian depredations in Minnesota [12 Stat 652], \$200,000.

1867—Purchase of seeds for distribution in Southern States [15 Stat 28], \$50,000.

1874—Mississippi River Basin flood sufferers [18 Stat 45], \$190,000.

1882: Mississippi River Basin flood, rations for destitute sufferers [22 Stat 378], \$100,000.

Mississippi River Basin flood, food for destitute sufferers [22 Stat 379], \$250,000.

1884—Ohio River Basin floods. Purchase and distribution of subsistence stores, clothing, etc. [23 Stat 267, 23 Stat 268], \$300,000, \$200,000.

1897: For purchase, transportation, and distribution of subsistence stores for destitute persons in mining regions of Alaska [30 Stat 226], \$200,000.

Floods in Mississippi River Basin and Red River of the North [30 Stat 219], \$200,000.

1906—Relief for sufferers of San Francisco earthquake and fire [34 Stat 827, 828], \$2,500,000.

1908—Cyclones in States of Georgia, Alabama, Mississippi, Louisiana, Texas, Arkansas and Tennessee. Relief of sufferers [35 Stat 572], \$250,000.

1912: To reimburse Revenue Center Service for expenditures incurred in relief of sufferers from volcano eruption at Kodiak, Alaska [37 Stat 597], \$30,000.

Mississippi and Ohio River Valleys. Flood sufferers [37 Stat 633], \$1,239,179.

1913—To reimburse War Department for expenditures on sufferers from floods, tornadoes and conflagrations in the Mississippi and Ohio River Basins. Peach Tree Alabama, and Nebraska [38 Stat 215], \$654,448.

To reimburse War Department for expenditures on behalf of flood sufferers in the States of Ohio and Indiana, in the Ohio and Mississippi River and tributaries [38 Stat 216], \$130,940.

1914—Relief of sufferers from conflagration in Salem, Massachusetts [38 Stat 687], \$200,000.

1916—Relief of sufferers from hurricane and floods in North Carolina, South Carolina, Georgia, Alabama, Florida, Tennessee and Mississippi [39 Stat 434-5] [39 Stat 534] added West Virginia, \$540,000.

1928—Hurricane, Puerto Rico, for rehabilitation of agriculture, to build schools, purchase seeds, etc. [45 Stat 1967], \$2,000,000; [46 Stat 57], \$3,000,000.

1929—Storms and floods in Southeastern State [45 Stat 1635], \$6,000,000.

1930—Droughts and floods. Loans for seeds, fertilizer, etc [46 Stat 1032], \$45,000,000; [46 Stat 1160] additional funds, \$2,000,000.

1939—First Deficiency Appropriation Act. New England Hurricane. For rehabilitation and reestablishment of forestry resources of New England [53 Stat 513, 514] \$5,000,000;

[53 Stat 631] added New York, limited funds to \$60,000.

1943—Second Deficiency Appropriation Act. Funds to Secretary of Agriculture for assistance to farmers whose property was destroyed or damaged by floods in 1943 [57 Stat 542], \$15,000,000.

1944—Grants to farmers whose property was damaged or destroyed by floods or windstorms in 1944 [58 Stat 224], \$3,000,000.

1948—Floods in Oregon and Washington. For emergency housing in the Portland, Oregon-Vancouver, Washington area displaced by flood [62 Stat 356], \$10,000,000.

1951—To provide housing relief following flood in Missouri-Kansas-Oklahoma [65 Stat 173], none.

1955—Settlement of claims arising from Texas City, Texas explosion [69 Stat 707], none.

1956—For relief of the town of Freeport, Maine [70 Stat 989], \$2,500.

1957—For relief of drought stricken areas [71 Stat 526], none.

1964—Reconstruction of areas damaged by Alaskan earthquake [78 Stat 505], \$55,650,000.

1965—Assistance to States of California, Oregon, Washington, Nevada, and Idaho suffering from flooding [79 Stat 131], \$70,000,000.

(Additional for construction, repair and reconstruction of forest roads and trails), \$38,000,000.

Supplemental Appropriation Act. For sufferers of hurricanes in southeastern States [79 Stat 1152], \$35,000,000.

Southeastern Hurricane Disaster Relief Act of 1965 [79 Stat 339], \$70,000,000.

1966—Supplemental Appropriation Act. For relief of the Pacific Northwest floods [80 Stat 142], \$65,000,000.

Reimbursement for Public Roads expenditures in Pacific Northwest [83 Stat. 458], \$24,949,709.

1967—For reimbursement of Federal Highway Administration expenditures under Pacific Northwest Disaster Relief Act [81 Stat 316], \$14,008,661.

H.R. 9293

A bill to authorize increases in the forgiveness advantage contained in section 231(1)(A) and section 232(1)(A) of the Disaster Relief Act of 1970 to provide additional relief for total destruction of, or substantial damage to, homes as a result of the earthquakes in California in 1971.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) in the case of total destruction or substantial property damage to homes resulting from earthquakes in California in February of 1971, the President, to the extent such loss or damage is not compensated for by insurance or otherwise, is authorized to increase the \$2,500 forgiveness advantage contained in section 231(1)(A) and section 232(1)(A) of the Disaster Relief Act of 1970 to the amount necessary to insure that persons (A) who are the legal owners of such homes immediately prior to such earthquakes, (B) who will repair, rehabilitate, or replace such homes, and (C) who qualify for assistance for such homes under section 231 of the Disaster Relief Act of 1970, will have, with respect to loans acquired for the repair, rehabilitation, or replacement of their homes—

(1) monthly payments no larger than the level of the payments on destroyed or damaged homes before the disaster, or

(2) in those cases where the homeowner had no outstanding mortgage obligations prior to the earthquake, monthly payments not in excess of one-fourth of the owner's monthly net income.

(b) An increase in the existing \$2,500 forgiveness advantage of section 231(1)(A) and section (1)(A) of the Disaster Relief Act of 1970—

(1) shall not exceed \$15,000 in the case of any one home,

(2) shall not exceed \$30,000 in the case of any one individual homeowner, and

(3) shall be subject to such other terms and conditions as the President or the Administrator, the Small Business Administration, determines necessary to carry out the intent of this Act and protect the interest of the United States.

Sec. 2. There is authorized to be appropriated to the President such sums as may be necessary to carry out this Act.

THE MOST PRECIOUS FREEDOM

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

Mr. KOCH. Mr. Speaker, no man has done more in this generation to bring to light the need to protect the freedom of the individual guaranteed by our Constitution than Senator SAM J. ERVIN, Jr. The hearings conducted by the Senator as chairman of the Subcommittee on Constitutional Rights have made an enormous contribution in pointing out how the privacy of the individual is now being violated.

I testified before Senator ERVIN's subcommittee on my bill, H.R. 854, as amended, which would do the following:

First, notify the individual that such a record exists;

Second, notify the individual of all transfers of such information;

Third, disclose information from such records only with the consent of the individual or when legally required;

Fourth, maintain a record of all persons inspecting such records; and

Fifth, permit the individual to inspect his records, make copies of them, and supplement them.

Exception to the disclosure rule would be made in the case of records that are required by Executive order to be withheld in the interest of national security and for purposes of criminal prosecution. The President would be required to notify the Congress on an agency-by-agency basis each year of the number of files withheld for these reasons.

I was gratified when H.R. 854 was introduced on the Senate side by Senator BIRCH BAYH, a member of Senator ERVIN's subcommittee.

In this morning's New York Times, there appears on the Op Ed page a column written by the senior Senator from North Carolina (Mr. ERVIN) on the subject of protecting the individual from abuses by Government, I bring that article to the attention of this House:

THE MOST PRECIOUS FREEDOM

(By SAM J. ERVIN, Jr.)

WASHINGTON.—There are some holding power of government who heed false prophets. They have forgotten that the most precious freedom secured to the individual by our Constitution is the privacy of his mind, the freedom of his thought and the sanctity of his conscience.

They have forgotten what Oliver Wendell Holmes so wisely stated, that "if there is any principle of the Constitution that more imperatively calls for attachment than any other, it is the principle of free thought—not free thought for those who agree with us but freedom for the thought that we hate."

They have forgotten the reverence which

is due the principle on which our Constitution is based, namely, that man is a rational being, endowed by the Creator with the faculties for making rational decisions about his own destiny.

They would sacrifice these principles to the ends of government for short-term purposes.

I have no quarrel with the right of these individuals to hold these views. But I am alarmed to see them applied to government programs which may do violence to constitutional principles.

There have been a number of such programs with which I take issue. These are predicated on the theory that if government officials can only acquire sufficient information in advance on individuals, then they can predict and control behavior. So they seek to learn about how they think; how they behave in their personal lives; how they cut their hair; what they read; what their conduct and attitudes are in sexual matters; how they relate to their parents; what they dream about, and many other details.

These officials say, for example, that they have the inherent power to investigate by wiretapping in national security cases, and that this now applies to domestic security. I do not believe they should have that right. They should have to get a warrant from a court authorizing the seizure of a person's phone conversations just as, under the Fourth Amendment to the Constitution, they have to get a warrant for any other search and seizure.

No one man and no one executive department should have the absolute power to order government spying on how people use their right of free speech. This is what we mean by a government of laws and not of men.

The Senate Subcommittee on Constitutional Rights recently learned that military agents were sent across the country with notebooks, cameras and tape recorders. They were told to take note of the behavior and politics of Americans who were active on subjects of concern to the Administration. They entered churches, universities and meeting-places. They conducted surveillance over political party gatherings as easily as they did over the demonstrations of welfare mothers.

The Defense Department undertook to keep these files full of irrelevant information despite the guarantee of the Constitution protecting Americans in the exercise of their First Amendment rights. They did this despite the obvious truth that the very existence of such files would make people fearful about exercising their constitutional rights.

An interviewer asked me the other day how I would go about protecting the security of the country if I suddenly were placed in charge of it.

While I would strongly hope I would never be placed in such a difficult job, I told her one of the first things I would do is assure that when a government inquiry was made on a person, that first, it be necessary and relevant; secondly, that it be done by trained, professional investigators who understand human nature and the society we live in. Thirdly, I would issue regulations and work for laws which take account of the fact that people are sometimes darn fools; that they can say silly, foolish, passionate or harsh things without the slightest intent of acting on their words.

Next, I would try to spread a gospel of my own. That is my belief that while the Recording Angel drops a tear occasionally to wash out the record of our human iniquities, there is no compassion to be found in computers. Nor is it to be found in all the new instruments for measuring man which the behavioral sciences and the new technology hold out to us.

Finally, I would try to assure that the power of making inquiries which could decide a person's job prospects or his repu-

tation rested with people who understood that political activity at every level has always been the life blood of our democracy.

LAST OF THE REUTHERS

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

Mr. KOCH. Mr. Speaker, in 1937, when I was a child finishing the eighth grade, I recall how excited I was by the ferment that was taking place in the ranks of unorganized labor and in particular the great organization campaign then in progress among automobile workers in Detroit. I can't really recall when it was that I first knew the name Reuther but it was either that year or the next when I entered high school. And from that time until the present, the name Reuther has been synonymous with the best in unionism.

Since coming to Congress in January of 1969, I have had the pleasure, indeed the privilege, of meeting both Walter Reuther and Victor Reuther. I met Walter Reuther for the first time on a platform in Charleston, S.C., when he spoke to perhaps 500 black hospital workers engaged in unionizing. Walter Reuther was there to extend the UAW's help with cash for strike benefits. When he spoke and talked of the history of unionization, I was deeply moved as I looked out on this audience of black faces who were given hope by this man who had fought so many battles for the oppressed in this country.

I have had the pleasure and again the privilege of meeting Victor Reuther on a number of occasions when we could talk in a quiet way on the needs of this country. And here I stress not the needs merely of union members but of the entire country. He is one of the intellectual giants in this country. Walter Reuther is dead and his brother Victor Reuther is getting ready to retire. These two men are among the greatest of our country's leaders.

In today's New York Times on the Op Ed page, there appears an article by A. H. Raskin, an assistant editor of the editorial page of the Times which I should like to bring to the attention of our colleagues.

The article follows:

[From the New York Times, June 21, 1971]

LAST OF THE REUTHERS

(By A. H. Raskin)

WASHINGTON.—Legs stretched out in front of a bright orange chair, scraggly gray beard mantling cheeks and chin, pipe gone dead in his hand, it was easier to picture him as an English curate than as a fiery improviser of sit-down strike strategy when the first great battle to unionize General Motors was won nearly 35 years ago.

Victor last of the Reuthers, was getting ready to retire, and all truculence was gone as he looked through the rear-view mirror at the peaks and potholes in the rocky road over which he and his brothers, Walter and Roy, had helped pilot the United Automobile Workers—from embattled infancy to its present pinnacle as the world's biggest mass-production union.

This was the man at the microphone of the union sound truck when it drove up to the Fisher Body plant in Flint, Mich., on Jan. 11, 1937, to become a mobile command center for efforts to deliver food to strikers locked in-

side the giant factory. When pleas for labor solidarity failed to move the police, a flying squad of pickets did. They swept through the blue line to bring the food to the sitdowners.

The police counterattacked with tear gas and buckshot, only to be stopped by a barrage of heavy steel auto door hinges flung from catapults the strikers had fashioned out of iron pipe and inner tubes. Through the hours of battle, a cordon of unionists kept the Reuther sound truck from being silenced. "We wanted peace. General Motors chose war. Give it to them," came the shouted exhortation. Finally, in what has gone down in labor history as "The Battle of the Running Bulls," a high-powered icy jet from the plant's fire hose routed the police.

And this was the same Victor Reuther who had just finished changing a light bulb in the living room of his Detroit home on May 24, 1949, when a shotgun blast fired through a window by a still unidentified thug destroyed his right eye. Thirteen months earlier an identical attack had crippled the right arm of brother Walter, a disability he carried until his death in a plane crash last year.

But, sitting the other day in his tranquil office as director of the U.A.W.'s international affairs department, Victor Reuther had no wish to rehash the old struggles. There was too much he wanted to say about the new tasks for labor in seeking to end the disenchantment of American youth with unions and society alike and in forging durable alliances with overseas unions to meet the challenge of multinational corporations whose resources exceed those of many governments.

"The unions have much to contribute to youth, who are full of idealism but terribly lacking in practicality," Mr. Reuther said. "Cynicism and frustration are inescapable if you set ultimate goals and thus deny yourself the pleasure of discernible day-to-day progress toward changes that are attainable. . . . A wedding of youth's idealism and labor's pragmatic experience would create the kind of coalition we need for effective political action within the system."

If the stress on gradualism sounded strange from one who repeatedly over the years found himself accused by employers and even other union chiefs of pursuing "pie in the sky" programs, Mr. Reuther had a ready explanation. He and his brothers never let their early adherence to socialism blind them to the need for doing the hard staff work required to test the practicality of their objectives and then following up with intensive education to weld strong rank-and-file support.

He is under no delusion that students will rally to the union banner without much more willingness by labor to correct its own shortcomings—the "blank check" most of its leaders have given to the Vietnam war and a general stand-pattism that has put many labor policy-setters "to the right of the Chamber of Commerce."

There is nothing new about these Reuther criticisms. They are essentially the complaints that led Walter to pull the auto union out of the A.F.L.-C.I.O. three years ago. But Victor puts them forward now without rancor and querulousness. Absent, too, is the old tendency to roll out the shibboleths of class warfare when he talks about enhancing labor's global bargaining power with General Motors, Ford and other corporate titans.

He acknowledges that it is romantic nonsense to think in terms of worldwide strikes to bring the mastodons of industry to their knees. He learned long ago that they are not mindless mastodons, and he recognizes that it will be at least a decade before anything approaching global parity in wages and employment benefits comes into view. But the speed with which West German unionists warned that they would not handle transferred work when Henry Ford 2d hinted at a shift of operations during the long strike in Ford's British plants earlier this spring encourages confidence in his mind that common con-

tract dates and the "harmonization" of wage goals on an international basis are in prospect.

Perhaps the oddest thing is to be reminded that this veteran of the assaults on the stanchest bastions of antiunionism is still six months away from his sixtieth birthday. As he contemplates departure after the U.A.W. convention next April, he cautions those insistent on over-swift change, "The world wasn't made overnight; it won't be remade overnight either."

FLEXIBILITY IN COST LIMITS FOR SECTIONS 235 AND 236 FEDERALLY ASSISTED HOUSING CONSTRUCTION

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I am introducing a bill today that will provide a step toward relieving the low-income housing shortage in many of our cities. The bill directs the Secretary of Housing and Urban Development to establish limitations on construction costs for sections 235 and 236 federally sponsored housing by determining "prototype" construction costs for different parts of the country. Cost limitations for construction under these two programs would be no more than 10 percent of the prototype cost for the area in which the dwelling unit is to be built.

Under present law there is a single nationwide ceiling on allowable construction costs in these low income housing programs; this national ceiling is too low for some parts of the country where construction costs are high, and consequently these areas are not able to use the Federal program.

The prototype cost for each given area will be determined annually by the Secretary on the basis of his estimate of cost for constructing dwelling units of various sizes suitable for occupancy for persons assisted under sections 235 and 236, plus his determination of a reasonable allowance for the cost of land and site improvement. Furthermore, the bill encourages an emphasis on durability, efficient maintenance, and good design. And, the Secretary is directed to take into account extra costs that may be incurred in construction in some parts of the area—such as special transportation costs, high-risk insurance premiums, and special security provisions.

The prototype method of establishing construction cost limitations is now used in the federally assisted low-rent public housing program. By linking mortgage limitations to local construction costs, we insure the prudent use of the Federal dollar in all parts of the country through the construction of sound dwelling units that in the long run will be economical to manage and comfortable for their occupants.

Like many cities, New York is far behind in meeting the demand for housing; in fact we are falling further behind. Last year there was a net loss of 5,070 housing units in the city while 135,000 families are on the waiting list for public housing.

Today's housing crisis necessitates both this provision for local construc-

tion cost adjustments and added Federal funds to encourage and support local housing construction. The President has recommended that \$175 million in funds be made available for the section 235 program and another \$175 for the section 236 program. The authorization for each is \$200 million and it is imperative that this Congress fully fund this program.

H.R. 9260

A bill to amend title II of the National Housing Act to limit the amount of any mortgage insured under section 235 or 236 of such Act to not more than 10 percent above the amount established as the prototype cost of the property for the area where such property is located

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title II of the National Housing Act is amended by adding at the end thereof the following new section:

"LIMITATION ON SECTIONS 235 AND 236 MORTGAGE AMOUNTS

"SEC. 244. (a) The Secretary shall not, under sections 235(i), 235(j), or 236(j), insure a mortgage covering property in any area which exceeds (for that part of the property attributable to dwelling use) the appropriate prototype cost for that area by more than 10 percent.

"(b) Prototype costs shall be determined at least annually by the Secretary on the basis of (1) his estimate of the construction costs of new dwelling units of various sizes and types in the area suitable for occupancy by persons assisted under sections 235 and 236, and (2) his determination of reasonable allowances for the cost of land and site improvements. The Secretary in determining an area's prototype costs shall take into account the extra durability required for economical maintenance of assisted housing, and the provision of amenities designed to guarantee safe and healthy family life and neighborhood environment, and extra costs incurred in construction in some parts of the area. Further, in the development of such prototypes, emphasis shall be given to encouraging good design as an essential component of such housing and to producing housing which will be of such quality as to reflect the architectural standards of the neighborhood and community. The prototype costs for any area shall become effective upon the date of publication in the Federal Register.

"(c) As used in this section, the term 'construction costs' means those cost items which are normally reflected in the amount of a home mortgage or multifamily mortgage insured under section 235 or section 236, except the costs of land and site improvements."

SEC. 2. (a) Section 235(i)(3)(B) of the National Housing Act is amended to read as follows:

"(B) have a principal obligation not exceeding the maximum amount permitted under section 244; and"

(b) Section 235(j)(2)(B) of such Act is amended to read as follows:

"(B) be in a principal amount not exceeding the maximum amount permitted under section 244 plus the estimated cost of any rehabilitation;"

(c) Section 236(j) of such Act is amended—

(1) by striking out "not exceeding the appraised value of the property at the time of purchase, which value shall be based upon a mortgage amount on which" in the second sentence of paragraph (3) and inserting in lieu thereof the following: "not exceeding the maximum amount permitted under section 244 or the maximum mortgage amount on which"; and

(2) by redesignating subparagraphs (B)

and (C) of paragraph (4) as subparagraphs (C) and (D), respectively, and inserting after subparagraph (A) of such paragraphs the following new subparagraph:

"(B) be in a principal amount not exceeding the maximum amount permitted under section 244;"

THE NEED AND POTENTIAL OF THE F-14

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. SIKES. Mr. Speaker, in keeping close watch on current military developments, we are sometimes inundated—and confused—with information on one of the Navy's major programs, the F-14 air superiority fighter. There are some who have appeared unclear about the differences and improvements of the F-14A when compared to our 1950 vintage F-4 Phantom. I do not criticize the Phantom for it has truly served our Nation, and others, in the defense of freedom—rather I would point to the need and the potential of the F-14. Since 1969, when we first approved funds for the F-14, the Navy has repeatedly stated that they cannot accomplish the tasks and meet the threat they face with a stable of fighters whose growth potential is virtually exhausted. The F-111B could not meet the requirements and the Congress approved its cancellation. We also recognized the essentiality of a follow-on for the aging F-4 when we approved the F-14.

The single most important fact to be understood in any comparisons between the F-14A and the F-4 is that the F-14A, with its versatile weapons suit of Phoenix, Sparrow, Sidewinder, and Internal Cannon, will provide a margin of superiority over known enemy threats. The F-4, regardless of its record, no longer does so.

Present and future threat fighters have increased range, improved avionics and all aspect air-to-air missiles. Various delivery modes of air-to-surface and surface-to-surface cruise missiles pose significant defense problems. Soviet and satellite countries possess superior numerical fighter inventories, especially during the initial phase of any hostilities.

One Russian plane we have heard much about since it appeared recently in Cairo is the Foxbat. The Foxbat represents a revolutionary breakthrough in fighter design technology and trends, which can be countered by the F-14 aircraft but by no U.S. plane now in inventory. The Foxbat is limited in terms of low altitude maneuverability, but it is optimized for very high altitude and high speed flight. It is not believed to possess a standoff or close-in weapons system matching that of the F-14 in terms of search and detection range, weapons versatility, multishot capability, and missile launch envelope. Assuming that the Foxbat will elect to remain in its optimum environment and use its radar lookdown and missile standoff capabilities, only the F-14 Phoenix can combat this threat. The F-14A with its high rate of acceleration, a 45 percent improvement over F-4, and maneuvering capability can react readily to achieve a launch condition outside that of the retaliatory capability

of the Foxbat. The Phoenix launch envelope is far less critical to achieve than the exacting aircraft tracking conditions required for deployment of Sparrow and Sidewinder missiles, which are the only weapons for the F-4. If the Foxbat elects to press for a close-in engagement, the F-14 will have the maneuverability and weapon mix to counter it in the classical air superiority fighter role. Aside from propulsion, airframe, and weapon system individual features, one of the salient attributes of the F-14, will be the total integration of aircrew functions into its composite weapon system to achieve maximum task efficiency. The crew's ability to readily convert to another weapons delivery mode, use of alternate sensors and weapons—Sparrow, Sidewinder, and Internal Gun—and data link vectoring assistance, exceeds the option capability of any other fighter aircraft.

Simply stated, the F-14A is intended to provide air superiority maneuverability which exceeds enemy fighters—the F-4 does not. The F-14A will possess in Phoenix the standoff range and multiple-shot capability to reduce numerical odds prior to close-in engagement—the F-4 does not. The F-14A will possess large search volume with high probability of detection at long range and attack—with Phoenix—capability required to counter the cruise missile threat—the F-4 does not. The F-14A has the capability to escort attack aircraft to 500-mile radius, retaining combat fuel and without aerial refueling—the F-4 does not.

The F-4 has about reached the limit of modernization and improvement. When compared to the F-4J, the Navy's latest version, the F-14A is projected to offer decided advantages in such important areas as combat radius, combat rate of climb, acceleration, roll rate, energy maneuverability, air defense search time, radar range, missile launch range with Phoenix, and greater launch range with Sparrow.

In addition, the F-14A can launch from the carrier using basic engine power with no wind while the F-4J requires 16 to 32 knots of wind for afterburner and basic engine, respectively. The F-14A recovers nicely with no wind while the F-4J requires at least 16 knots of wind. Landing approach speeds are lower for the F-14. These additional highly desirable characteristics are competitive with the A-6 aircraft which has achieved an outstanding carrier safety record of over 55,000 accident-free landings.

In summary, the F-14A is designed to provide a very impressive aircraft with outstanding capabilities designed to meet Soviet challenges which are superior to the F-4. The F-14 program was planned to minimize the risk of a new engine and fire control system developments. Both engine and system are exceeding specifications by significant amounts. An interesting point is that the F-14B will be even better.

It would appear that the Navy is on the right track. They developed the highly successful F-4. Now they are again preparing to provide us with a measure of superiority in its successor, the F-14. The program should have our support. The Navy should be allowed to get on with it.

THE RAID ON QUEBEC TERRACE

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

Mr. SIKES. Mr. Speaker, the American Rifleman and the Washington Post, two publications which normally are as far apart as the poles in their viewpoints, agree on the tragedy which occurred on Quebec Terrace when ATFD investigators broke into a home and shot down an innocent young man with no justification. The investigators were not in uniform, they showed no identification, and apparently they had not even obtained the necessary warrants for a search of the home in question.

This is an inexcusable occurrence and a shocking indictment of ATFD procedures under the Gun Control Act of 1968. I submit both articles for the RECORD:

[From the American Rifleman, June 10, 1971]

GUN LAW ENFORCERS SHOOT SURPRISED CITIZEN, CLAIM SELF-DEFENSE

While taking a bath in his first-floor apartment in a Washington, D.C., suburb on the night of June 7, NRA Life Member Kenyon F. Ballew, 27, heard a commotion in his home. He stepped out of the bathroom, nude, to find his scantily-clad wife confronted by armed men who had crashed through the apartment door.

"Kenny, Kenny, they're breaking in, where's a gun?" the wife called out.

What ensued is the subject of somewhat differing accounts. Mrs. Saraluisse Ballew tells one. Spokesmen for the Alcohol, Tobacco and Firearms Division of the IRS and local police tell others. Ballew can tell nothing. As this is written, he lies in the intensive care section of the Washington Sanitarium and Hospital critically wounded by a bullet in the head.

No matter what the outcome may be, Ballew can be certain of a sad niche in history. That night, he became the first American citizen shot down by enforcers of the 1968 Federal Gun Control Act.

Ballew, naked and dripping from his bath, armed himself with a replica of a 44 Walker Colt blackpowder cap-and-ball revolver of 1847 pattern. Confronting him was the vanguard of a raiding party numbering somewhere between 11 (ATFD version) and 24 (police version) armed enforcement officers.

Spokesmen for the law officers claimed Ballew fired first, getting off one shot that hit nobody. Between five (ATFD version) and seven (police version) shots were fired. Mrs. Ballew denied that her husband fired first. One spokesman said Ballew was hit by an ATFD bullet. Another said both groups were firing and that the actual shooter has not been determined. A third source said the police did not shoot "even once."

The raiding party acted on information that Ballew possessed loaded or live grenades, which are illegal under Title 2 of the 1968 Gun Control Act. The information, the ATFD said, came to Montgomery County police in Ballew's home area from "at least three sources," all unnamed. The ATFD said the local police then asked their assistance.

As it turned out, Ballew had four inert or empty grenades which apparently violated no law whatsoever. Nor did the young Washington newspaper pressroom worker, Boy Scout leader, and former Air Force military policeman have any record of crime conviction. The ATFD said he was arrested in 1970 on a Montgomery County police charge of carrying a concealed weapon, but that the charge was dropped without trial on a technicality.

A spokesman for the Montgomery County police made no reference to the 1970 charge but asserted after the raid that Ballew had violated "several laws" requiring safety pre-

cautions in the storage of tracer ammunition and bulk powder. The ATFD, however, said Ballew had only two pounds of black-powder and two pounds of shotgun powder—well below the storage limit—plus large quantities of cartridges and shotgun shells for his eight firearms using fixed ammunition.

Mrs. Ballew, mother of two small children by a previous marriage, gave the following account while at her husband's bedside in the hospital:

Ballew is a black-powder and shotgun shooter with a collector-shooter enthusiasm for firearms. His collection included a dummy practice grenade given him by a friendly National Guardsman when he was 15.

On the night of the raid, Mrs. Ballew heard a pounding or knocking on an outside door of their apartment and shouts of "Open up! Open up!" The rest of the words were indistinguishable amid the noise.

The door crashed open, and men entered. The first was bearded, wearing a yellow sweatshirt and carrying a handgun. Behind him came a man in a striped shirt. At that point she saw no uniformed officers, and did not notice any badges.

Ballew emerged, dripping from his bath, and picked up the replica cap-and-ball. He stepped into the living room of his home.

"Both guns went off at the same time," her husband's and another.

Ballew slumped to the floor, bleeding from the head.

"Get the police—murder!" Mrs. Ballew screamed.

"We are the police," one of the raiding party replied.

(According to the ATFD version, Mrs. Ballew snatched up a .36 cap-and-ball replica revolver, but was persuaded to put it down.)

Clad only in panties, which she had put on after taking a bath just before her husband, she was "shoved out" into the hall and not allowed near her husband.

Finally handed a dress, she was handcuffed and placed in a police car.

She was shown a search warrant for "occupant"—no name given—of the Ballew apartment on a charge of possessing hand grenades.

Taken to the police station, she was held for several hours before being allowed to go to her critically wounded husband in the hospital. En route, a uniformed officer told her that there apparently had been some error made, but "these things do happen."

"If they had come in wearing uniforms," she said, "there wouldn't have been any shooting. I was sure someone was breaking in when I saw these two men dressed like hippies."

The official ATFD version is as follows: Search warrant in hand, the investigators and police "knocked on the door and identified themselves through the closed door as Federal investigators." They "yelled twice," so loudly that others in the apartment neighborhood heard them.

Then "the Montgomery County police chose to break the door down."

All who entered wore badges clipped to their suit pockets.

Ballew met them "with a handgun in his right hand."

The officers were trying to convince him not to fire when he did fire one shot.

Both ATFD investigators and police fired back.

Prior to raiding the Ballew apartment, the officers hammered on the door of the apartment above with a search warrant also directed only to the "occupant." In this instance, the occupant proved to be 10-year-old Miriam Murphy, who was baby-sitting with a baby. The child said her mother told her not to open the door for anyone, but she finally heard someone shouting "police" and decided to take a chance and open the door. The officers searched the apartment, found nothing and left. Mrs. Josephine R. Murphy, Miriam's mother, said she returned to find

the floor strewn with clothes and a big dent in the door where the officers had beat on it.

The search warrants were signed by ATFD Special Investigator Marcus J. Davis. Also participating in the raids were ATFD Special Investigators Louis E. Pace, L. D. Callas, Donald R. Sloan and possibly others. An ATFD spokesman said three or four investigators were involved. A police spokesman said "a dozen."

Maryland's top Federal prosecutor, U.S. District Attorney George Beall, a brother of U.S. Senator J. Glenn Beall (Md.), praised the ATFD investigators. "From our point of view," Beall was quoted, "they did nothing extraordinary, nothing reckless, nothing culpable, nothing wrong." He added that their performance was "a letter-perfect execution of their search warrants with the exception of the unfortunate incident that occurred."

Afterward, the investigators found two pounds of black powder and two pounds of bulk smokeless powder; "One baseball-type plastic-body hand grenade, one canister grenade, one hand grenade canister, one military hand grenade fragmentation type." The return did not indicate whether they were inert or live, but an ATFD spokesman said they contained no powder or bursting charges.

They also found "remnants of sawed-off barrels and stocks"—but no firearms of illegal length or with parts sawed off. ("The search is continuing according to one account.")

In addition, they found a large quantity of firearms and ammunition, and most of the arms were "fully loaded." Among these were 13 boxes of 20-ga. shotshells, 14 of 12-ga., and one of 16-ga. magnum, and many M1, .30-'06, .45, .357, and other cartridges.

Ballew's collection consisted of 14 black-powder arms and eight cartridge arms: nine cap-and-ball replica revolvers, three flintlock replica pistols, two cap-and-ball rifles, one cal. .22 semi-automatic pistol, an M1 carbine, two .22 rifles, a 20-ga. over-and-under, a 12-ga. double, a 12-ga. pump, and a military rifle with bayonet.

The Montgomery County police, at last report, were holding all of Ballew's firearms. A police spokesman admitted that they were taken without a search warrant but explained that they had to be held because Ballew was subject to a Maryland State charge of "aggravated assault with intent to commit murder."

[From the Washington Post, June 12, 1971]

THE RAID ON QUEBEC TERRACE

Anyone who collects pistols, rifles, knives, hatchets and spears in his home must assume all sorts of risks, including the strong possibility that such a collection may raise suspicions and fears on the part of visitors or neighbors. Once this happens, there is the further likelihood that someone will turn in a nervous report to the authorities, who react pretty vigorously these days to any tips about alleged caches of weapons.

That may have been what prompted a raid last Monday evening on the two-bedroom apartment of Mr. and Mrs. Kenyon F. Ballew, at 1014 Quebec Terrace, Silver Spring; but it certainly does not fully explain the bizarre set of incidents that resulted in an exchange of gunfire and the shooting in the head of Mr. Ballew. In fact, the story as far as we have been able to make it out suggests strongly that the authorities owe the public a complete explanation of their policies and procedures in conducting raids of this sort.

To review what has been learned about the case, it seems to have started with information from a "confidential reliable source," as reported to a Prince Georges County detective. According to Internal Revenue Service agent Marcus J. Davis, the source alleged to the detective that Mr. Ballew had been seen "playing with several hand grenades" in the rear of the apartment building. In addition,

said Mr. Davis, a Montgomery County policeman told him that another unidentified source had seen "a quantity of firearms" in the Ballew apartment. Police also reported having received one telephone call a week reporting that guns were being fired in the vicinity of the building—though the authorities had never caught anyone.

A third unidentified source living in the vicinity also had told police that "one day the police would receive a false criminal report" from Quebec Terrace and that if and when they responded, they would "be shot" according to an affidavit filed with U.S. Magistrate F. Archie Meatyard. However, this affidavit contained no information linking Ballew to the reported discharging of weapons nor to any alleged ambush plan.

Then there was a second affidavit involving an apartment one floor above the Ballew apartment. Mr. Davis stated a belief that unregistered hand grenades were also "being concealed" there, and that a "confidential reliable source" had told the same Prince Georges detective that a James Russell Thomas, allegedly living there, had tried to sell the source three sawed-off shotguns.

These tips, reports and allegations apparently were enough to satisfy Mr. Meatyard, who issued search warrants. In the case of the upstairs apartment, IRS has said that it was searched—and that nothing was found and no arrests were made.

But in the Ballew case, a raid was ordered, with two policemen at the front of the raiding party, dressed in casual clothes and sporting mustaches and beards. The authorities' story is that they broke into the apartment because Mr. Ballew refused to grant them entry and that they fired only after he shot at them.

The story told by Mrs. Ballew is that her husband was in the bathtub when she heard a "violent beating" at the door. She says that she was clad only in underpants as she asked, "Who is it?" rather than immediately opening the door. The response was "unintelligible" shouts and banging, with demands to "open up," Mrs. Ballew says, adding that she then ran to the bedroom and grabbed a pistol from a collection hanging on the walls.

Mr. Ballew grabbed an antique "cap and ball" pistol, his wife says, and at the sight of the bearded men in the living room, one with a gun, she concluded that they were "racketeers" or "hippies." The exchange of gunfire ensued.

Did it have to come to all this?

Legitimate fears on the part of other people about a large collection of firearms are one thing; but the apparent fears of a couple confronted by invaders in scruffy clothing are just as understandable. Police claim that the raiders identified themselves, and that the two officers in question were dressed that way because of the nature of their assignments. Besides, they say, the men wore black armbands with the insignia of the county police. This fails to explain why plainclothesmen were used in a raid—an extremely dangerous policy.

Much more needs to be known about the reliability and specificity of the information on which the warrants were issued and the raids conducted. In one apartment, a search produced nothing, and in the other, an admittedly offbeat and potentially dangerous collection of weapons, and a totally ransacked apartment. What are the charges—if any—that required such vigorous actions? What did police recover? Is it true that there were no "live" grenades found? What about this "Mr. Thomas"?

From a strictly legal standpoint, this raid may have been faultless. Given the go-get-em atmosphere encouraged by top national authorities recently, it may even have seemed an effective, not to say vital, enterprise, under the circumstances. But one needs to know a lot more about those circumstances. As things stand, the impression is that of an amateurish and tragic response

to a set of vague and insubstantial allegations by irresponsible tipsters.

THE WELFARE REFORM BILL

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

Mr. BURTON. Mr. Speaker, I intend to oppose the motion to strike title IV of the Social Security Act when it comes before the House tomorrow.

The following communications should be of interest to my colleagues:

THE LEAGUE OF WOMEN VOTERS
OF THE UNITED STATES,
June 17, 1971.

HON. PHILLIP BURTON,
House of Representatives,
Washington, D.C.

DEAR MR. BURTON: The League of Women Voters of the United States urges you to vote for passage of the "Social Security Amendments Act of 1971"—H.R. 1—as proposed by the House Ways and Means Committee.

"Under the proposed Rule for H.R. 1, a motion to strike Title IV would be in order at the end of floor debate. We urge you to vote against such a motion, or any move to recommit with instructions to delete or weaken welfare reform provisions.

Sincerely yours,
Mrs. BRUCE B. BENSON,
President.

THE UNIVERSITY OF MICHIGAN,
SCHOOL OF EDUCATION,
Ann Arbor, Mich., June 18, 1971.

HON. PHILIP BURTON,
House of Representatives,
Washington, D.C.

DEAR PHIL: After all the hard work you and I have put in on the welfare reform legislation, I urgently and sincerely hope you will vote for H.R. 1 and title four. I am sure the Senate will consider the Ribicoff amendments and I will do everything I can to obtain constructive amendments in the Senate and to work with you and others to this end.

Sincerely,
WILBUR J. COHEN, Dean.

AMERICAN FEDERATION OF LABOR AND
CONGRESS OF INDUSTRIAL ORGANIZATIONS,
Washington, D.C., June 17, 1971.

HON. PHILIP BURTON,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN BURTON: The House of Representatives on June 21 and 22 will consider H.R. 1.

The Bill contains many substantial improvements for retirees; it extends health insurance under medicare to the totally disabled; but the central issue is—reform of the nation's welfare program.

The rule granted by the Rules Committee permits an up or down vote on Title IV—the provisions relating to Family Programs.

We urge passage of H.R. 1 as reported. We believe there are some defects in Title IV. However, the Title should be supported as a necessary first step toward uniform eligibility and Federal financing and administration of welfare. We will urge the Senate to make improvements.

Welfare reform is long overdue. We urge, therefore, that H.R. 1 be kept intact.

Sincerely yours,
ANDREW J. BIEMILLER,
Director, Department of Legislation.

[Telegram]

HON. CHARLES DIGGS,
Chairman, Congressional Black Caucus, The
House of Representatives, Washington,
D.C.

HON. PHILLIP BURTON,

Chairman, Democrat Study Group, The
House of Representatives, Washington,
D.C.:

Though we find the Welfare Bill presently before the House inadequate in that it does not allow for the continuation of present level benefits, the \$2,400.00 support level is by far not enough, and the job training requirements for working mothers are too harsh, we consider other aspects of the Bill as being deservant of our support.

We urge you and your group to support the Bill in its present form, in that we believe it is a first step in the right direction. A step which we believe will assist in stemming the tide of migration from rural areas to urban centers. A result which will be more beneficial in lessening the pressures on larger cities than any amount of money that could be realistically hoped for in any Welfare Legislation.

JAMES E. CLYBURN,
Assistant to the Governor for Human
Resource Development.
JAMES L. FELDER,
South Carolina House of Representatives.
HERBERT U. FIELDING,
South Carolina House of Representatives.
I. S. LEEVEY JOHNSON,
South Carolina House of Representatives.

THE UNIVERSITY OF MICHIGAN,
SCHOOL OF EDUCATION,
Ann Arbor, Mich., June 19, 1971.
HON. PHILLIP BURTON,
House of Representatives,
Washington, D.C.

DEAR MR. BURTON: On behalf of former Secretaries of the Department of Health, Education, and Welfare, I am writing to urge your favorable vote on H.R. 1, the Social Security Act Amendments of 1971.

We are particularly concerned about those provisions of the bill designed to reform the Nation's welfare system. We believe that Title IV of H.R. 1 is an important step toward fulfilling our national commitment on behalf of the unfortunate of our communities, and that it does so in a way that will help the poor help themselves to achieve economic independence. This legislation will lead to a more equitable and efficient administration of the welfare system. It is essential, therefore, that Title IV remain a part of H.R. 1.

We are convinced, too, that delay in enactment can only result in disaster. The need is immediate. While we do not all agree with every provision, passage of H.R. 1 is essential at this time. Without reform, there is no end in sight to rising caseloads and costs, no fiscal relief for over-burdened State and local government, and no chance to escape from poverty for the many thousands of citizens who live in deprivation and degradation.

H.R. 1 is a realistic approach to the solution of one of our most urgent social problems. I am joined by Mrs. Oveta Culp Hobby, Mr. Marlon B. Folsom, Dr. Arthur S. Flemming, Senator Abraham A. Ribicoff, Dr. John W. Gardner, and Mr. Robert H. Finch in soliciting your support for prompt passage of this vital legislation. We urge that you vote against the motion to strike Title IV, and for the passage of H.R. 1.

Sincerely,
WILBUR J. COHEN.

IN JUNIOR HIGH AND ON WELFARE

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

Mr. CABELL. Mr. Speaker, since this body will be concerned for the next 2 days with H.R. 1, a bill to overhaul our present preposterous welfare machinery, I think that a recent Sunday feature ar-

ticle on this subject published in the Dallas Morning News will be of interest to you.

This article, written by Mr. Dick West, editorial director of that publication, spotlights the blatant abuses of our welfare system as evidenced in only one court for a few days but are repeated thousands of times over every day throughout the land.

I hope that all Members will read this short but shocking exposure of what is happening to our tax dollars.

The article follows:

IN JUNIOR HIGH AND ON WELFARE
(By Dick West)

What follows in this column is the result of 15 weekends of study and personal investigation into the welfare racket—specifically, Aid for Dependent Children (AFDC) which has become the major abuse all over the country.

We spent those Saturdays and parts of Sundays in Justice of the Peace Bill Richburg's court.

The welfare story comes out in peace bond hearings. This is an example: A man leaves his wife and four children and moves in with his girl friend, who's on welfare. The family he leaves then must go on welfare.

He and his new girl friend have a ball—at taxpayers' expense. The two of them live on her welfare check, with his personal income as gravy.

But before long they start fighting—then she goes to Richburg to have him put under a peace bond, because he has threatened to kill her or has beaten her up.

In her anger, she then tells how she has been supporting him on her welfare money. Chances are, he may be carrying his new girl friend and her children as deductions on his income tax.

In the meantime, the wife and children he left are on welfare and a new boy friend finds it out and moves in with her.

When one of these men is asked by Judge Richburg why he doesn't support the family he left, often this is the reply: "I ain't going to give her money long as she's on welfare."

Seven out of 10 cases showing up in Richburg's court involve blacks. In many cases, the man who leaves his family for a new girl friend on welfare leaves his job, too, because he has a new living at taxpayers' expense.

If this abuse could be eliminated, it has been estimated that the families who really deserve help could get twice as much as they are getting now and the cost of the whole program would be reduced.

The AFDC scandals make Sharpstown look like peanuts—yet those who screamed about this case in the Legislature are curiously silent about welfare.

In the cases that follow, the numbers denote the peace bond jacket. Details were taken personally as the complaining party stood before the judge, or were taken from sworn affidavits in the personal file of Ann Wilson, the judge's secretary. Names and addresses can be obtained on the peace bond papers.

Terms like "colored male" are used because that is the phraseology in the peace bond jacket.

Case No. 76974: Colored male left wife and two children in California but is now married to a Dallas woman who has some children by another man. Now he's left the Dallas woman to live with new girl friend on Park Row who has two children but doesn't know who their father is. He makes \$125 a week; woman he left is on welfare, new girl friend is on welfare, wife in California is on welfare.

Case No. 76534: Colored female says husband beats her, knives her, won't work. She has eight children, receives \$236 a month in welfare. Husband says she gets \$270, that he keeps the children, that she stays gone three

weeks at a time "but shows now and then" to bring him \$20 for food.

Civil Case 1476: Colored female quit good job at Texas Instruments, left husband who makes \$144 a week, took mortgaged furniture and went to a housing project where she pays only \$30 a month for 2-bedroom apartment. She now draws \$179 a month in welfare, claims five children to get the \$179, but husband contends he supports two of them. She left and went on welfare a year ago. When she left her husband for a "new life" their combined incomes were \$900 a month.

Sworn affidavit: Colored female is not married, attends Rusk Junior High and has a child nine months old by an 18-year-old boy, also in school. She lives with a guardian and gets \$68 a month.

Case 75618: Colored female, 27, gets \$190 a month in welfare, has had five children in six years. She says her husband makes \$190 a week. She got on welfare when they separated, but they went back together and she stayed on it. For a while, they had combined income of \$900 a month, counting welfare.

Case 76809: White male 29, got divorce last December, agreed to pay \$50 a week child support, claims he's paid it. They went back together a while, then broke up again in April. He claims he's paid nearly all the bills in this period but that she continued to draw \$170 a month in welfare. He was told she got another \$63 for an apartment, plus food commodities.

There are scores more like these—including the colored female in Pennsylvania who was getting \$235 a month in welfare for six children—all illegitimate—and had a boy friend making \$200 a week who carried her and the kids on his income tax. She testified she had six wigs and bought him two pairs of alligator shoes at \$125 each with welfare money. She came to Richburg when he pulled a pistol on her in a fight and made the children get down on their knees and kiss his feet.

Nobody wants innocent children to go hungry. That's the difficult part of this racket: The children are the pawns.

But the whole story is a snowballing affair—more and more going on welfare every day, even quitting good jobs so they can loaf and have new affairs.

Richburg's lectures to these people about "irresponsibility" have cut down on the flow and must have saved the taxpayers hundreds of thousands in this one JP court.

The flow of shocking cases has decreased a little.

But widespread investigation would do more than anything else to curb the racket; that, plus indictments.

To repeat, in cases cited about details came in peace bond hearings before the judge or in sworn affidavits. If these details prove to be untrue or exaggerated, then those giving testimony lied.

But if the taxpaying public could have heard what we heard on 15 Saturdays, there would really be a massive adverse reaction.

EXPLANATION OF VOTES

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

Mr. CLEVELAND. Mr. Speaker, last Friday, June 18, 1971, I had to be out of town on official business. I had long standing commitments which had been made before the announcement that June 18 would be a legislative day.

Had I been present I would have voted "nay" on rollcall No. 147, which authorized additional investigative authority to the Committee on Education and Labor. I regret that it passed, by a vote of 183-119.

Had I been present I would have voted "yea" on rollcall No. 148, by which vote the House passed H.R. 7736, which extended for 1 year the student loan and scholarship provisions of titles VII and VIII of the Public Health Service Act. The purpose of this bill was to provide an appropriation authorization for existing student loan programs and also continue the scholarship program for fiscal year 1972. This bill will make possible orderly planning by schools of the health professions. It is regrettable that the major new legislation which is coming in this area is not ready so that it can be acted on now, but it is not. Given that situation, passage of this legislation is necessary. I am pleased that it passed by a vote of 299-0.

CHILD NUTRITION ACT

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

Mr. RYAN. Mr. Speaker, 7 years ago the Congress declared it to be the policy of the United States "to eliminate the paradox of poverty in the midst of plenty." Yet today millions of Americans still suffer from hunger and malnutrition.

That hunger and undernourishment should exist at all in a society as rich as ours is unconscionable. But what is even less justifiable is the failure of Government adequately to respond to the plight of countless Americans who are dependent upon the Government for aid and relief.

It is for that reason that I have introduced legislation (H.R. 8815) to amend the Child Nutrition Act of 1966 to make permanent the school breakfast program, which is due to expire on June 30 of this year, and to provide \$75 million for the operation of that program in fiscal year 1972. This legislation was introduced in the Senate by the distinguished chairman of the Senate Select Committee on Nutrition and Human Needs, Senator McGOVERN, and the Senator from the State of Minnesota, Senator HUMPHREY.

The school breakfast program is essential to our efforts to eradicate hunger from the face of America. This program was first authorized by the Child Nutrition Act of 1966 and then renewed in 1968. The program is designed to provide funds to the States to institute and maintain breakfast programs in schools, especially in those which draw attendance from areas in which poor economic conditions exist and in which a substantial proportion of the children enrolled must travel long distances daily. The school breakfast program, which has an appropriation of \$12 million for this fiscal year 1971, provides breakfasts to almost 555,000 children daily in more than 6,000 participating schools.

Senator McGOVERN has stated:

The importance of this program, Mr. President, cannot be understated. The issue before us is more than just poverty. The issue before us is the involuntary hunger and malnutrition of innocent children. A child can do nothing to guarantee that there is food on his table, but when that food is absent we know that the physical and social

after-effects are both immeasurable and irreparable . . .

The school breakfast program is one of several fronts in our struggle to end hunger in America. It is a front which deserves our special attention because it is aimed specifically at the children for whom we can do a great deal to make what is presently a bleak future a far brighter one.

Today the House has before it H.R. 9098, as reported by the Committee on Education and Labor, to extend and amend certain provisions of the Child Nutrition Act and the National School Lunch Act.

Although it contains a woefully inadequate authorization for funding in fiscal year 1972, it accomplishes several important objectives which are embodied in my own legislation. First, this legislation would make the school breakfast program permanent. Second, it would allow full Federal payment for the cost of providing breakfasts, allow prepayment of the cost, and include labor costs as part of the cost per meal. And third, it would include a new criterion for the selection of the first schools to be allowed to participate in the program. This new criterion would include those schools in which there is a special need for improving the nutrition and dietary practices of the children attending.

H.R. 9098 authorizes \$25 million for fiscal year 1972, compared with \$75 million in my bill, and such sums as may be necessary for each succeeding fiscal year.

It is high time for hunger to be eradicated from the face of America for once and for all. The school breakfast program has had a significant effect in alleviating the scourge of hunger and malnutrition. This program must be continued and expanded. We owe it to our children—and to the future.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. TAYLOR (at the request of Mr. FOUNTAIN), for today through July 1, on account of illness.

Mr. SATTERFIELD (at the request of Mr. DANIEL of Virginia), for today, on account of official business.

Mr. DENT (at the request of Mr. BOGGS) for June 21 and the balance of the week, on account of illness.

Mr. ROY (at the request of Mr. BOGGS), for today, on account of death in family.

Mr. JONES of Tennessee (at the request of Mr. O'NEILL), for today, on account of official business.

Mr. BRAY (at the request of Mr. GERALD R. FORD), on account of family illness.

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. VEYSEY) and to revise and extend their remarks and include extraneous matter:)

Mr. McCLOSKEY, for 60 minutes, today.

Mr. MILLER of Ohio, for 5 minutes, today.

Mrs. HECKLER of Massachusetts, for 5 minutes, today.

Mr. TERRY, for 1 minute, today.

(The following Members (at the request of Mr. McKAY) and to revise and extend their remarks and include extraneous matter:)

Mr. PATMAN, for 20 minutes, today.

Mr. REUSS, for 20 minutes, today.

Mr. PODELL, for 10 minutes, today.

Mr. FLOOD, for 10 minutes today.

Mr. STUCKEY, for 10 minutes, today.

Mr. BURLISON of Missouri, for 15 minutes, today.

Mr. CORMAN, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. HECHLER of West Virginia in three instances.

Mr. HAYS, and to include extraneous material.

Mr. MADDEN and to revise and extend his remarks.

Mr. HOLFELD to extend his remarks in the Extensions of Remarks of the RECORD.

Mr. JOHNSON of California, immediately prior to the passage of H.R. 3146 today.

Mr. SISK, immediately prior to the passage of H.R. 3146 today.

Mr. McMILLAN, and to include extraneous material.

Mr. RANDALL to revise and extend his remarks prior to the vote on H.R. 8712 on Consent Calendar and prior to the vote on the previous question on H.R. 1.

Mr. COLMER to revise and extend his remarks made today.

(The following Members (at the request of Mr. VEYSEY) and to include extraneous matter:)

Mr. RHODES in five instances.

Mr. BURKE of Florida.

Mr. FINDLEY.

Mr. QUIE.

Mr. DUNCAN in two instances.

Mr. MORSE.

Mr. ESCH.

Mr. MINSHALL in three instances.

Mr. WYMAN in two instances.

Mr. ANDERSON of Illinois.

Mr. MILLER of Ohio.

Mr. CRANE in five instances.

Mr. BAKER.

Mr. HARSHA.

Mr. McCLOSKEY.

Mr. KEATING.

Mr. HOSMER.

(The following Members (at the request of Mr. McKAY) and to include extraneous matter:)

Mrs. GRASSO in two instances.

Mrs. HICKS of Massachusetts in two instances.

Mr. MURPHY of New York in two instances.

Mr. KARTH in two instances.

Mr. JOHNSON of California in two instances.

Mr. HAMILTON.

Mr. ADDABBO.

Mr. NEDZI in two instances.

Mr. BYRNE of Pennsylvania.

Mr. HATHAWAY in two instances.

Mr. ASHLEY.

Mr. BRADEMAs.

Mrs. ABZUG in two instances.

Mr. WILLIAM D. FORD in two instances.

Mr. FRASER in two instances.

Mr. HARRINGTON in two instances.

Mr. CORMAN.

Mr. HAGAN in two instances.

Mr. RODINO in two instances.

Mr. BRASCO.

Mr. JACOBS in two instances.

Mr. DINGELL in two instances.

Mr. O'HARA in two instances.

Mr. FISHER in three instances.

Mr. DORN in two instances.

Mr. RYAN in three instances.

Mr. BURKE of Massachusetts.

Mr. HICKS of Washington in two instances.

SENATE JOINT AND CONCURRENT RESOLUTIONS REFERRED

A joint and a concurrent resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S.J. Res. 111. Joint resolution extending for 2 years the existing authority for the erection in the District of Columbia of a memorial to Mary McLeod Bethune; to the Committee on House Administration.

S. Con. Res. 30. Concurrent resolution authorizing the printing of the study entitled "Soviet Space Programs, 1966-70" as a Senate document; to the Committee on House Administration.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. HAYS, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a joint resolution of the House of the following title:

H.J. Res. 617. A joint resolution to authorize an ex gratia contribution to certain inhabitants of the Trust Territory of the Pacific Islands who suffered damages arising out of the hostilities of the Second World War, to provide for the payment of noncombat claims occurring prior to July 1, 1951, and to establish a Micronesian Claims Commission.

ADJOURNMENT

Mr. McKAY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 18 minutes p.m.), under its previous order, the House adjourned until tomorrow, Tuesday, June 22, 1971 at 11 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

877. A communication from the President of the United States transmitting an amendment to the budget for fiscal year 1972 to combat the drug abuse problem (H. Doc. No. 92-133); to the Committee of Appropriations and ordered to be printed.

878. A letter from the Chairman, Indian Claims Commission, transmitting a report of the final determination in docket No. 342-D, *The Senate Nation of Indians, Plaintiff, v. The United States of America, Defendant*, pursuant to 25 U.S.C. 70t; to the Committee on Interior and Insular Affairs.

879. A letter from the Attorney General, transmitting his report consenting to an interstate compact to conserve oil and gas,

pursuant to section 2 of Public Law 91-158; to the Committee on Interstate and Foreign Commerce.

880. A letter from the Director, Administrative Office of the U.S. Courts, transmitting the annual report of the Administrative Office of the U.S. Courts for the fiscal year 1970, together with the reports of the annual and special meetings of the Judicial Conference of the United States, pursuant to section 604(a)(4) of title 28 of the United States Code; to the Committee on the Judiciary.

881. A letter from the Regional Solicitor, Tulsa Region, Department of the Interior transmitting a copy of the Decision On Appeal in the matter of the heirship determination of Victoire Gonvil Pappan, pursuant to Private Law 90-318; to the Committee on the Judiciary.

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. JOHNSON of California: Committee on Interior and Insular Affairs. H.R. 9093. A bill to expand and extend the desalting program being conducted by the Secretary of the Interior, and for other purposes (Rept. No. 92-296). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROONEY of New York: Committee on Appropriations. H.R. 9272. A bill making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending June 30, 1972, and for other purposes (Rept. No. 92-297). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE 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. EILBERG: Committee on the Judiciary. H.R. 2087. A bill for the relief of Park Ok Soo and Noh Mi Ok; with an amendment (Rept. No. 92-291). Referred to the Committee of the Whole House.

Mr. RYAN: Committee on the Judiciary. H.R. 2107. A bill for the relief of Jose Betten-court de Simas (Rept. No. 92-292). Referred to the Committee of the Whole House.

Mr. FLOWERS: Committee on the Judiciary. H.R. 2803. A bill for the relief of In Kyong Yi; with an amendment (Rept. No. 92-293). Referred to the Committee of the Whole House.

Mr. SEIBERLING: Committee on the Judiciary. H.R. 3539. A bill for the relief of Min Kyung Sook and Min Kyung Jo; with amendments (Rept. No. 92-294). Referred to the Committee of the Whole House.

Mr. RODINO: Committee on the Judiciary. H.R. 6108. A bill for the relief of Mrs. Carmen Prado (Rept. No. 92-295). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ROONEY of New York:
H.R. 9272. A bill making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending June 30, 1972, and for other purposes.

By Mr. BOLAND:

H.R. 9273. A bill to preserve and promote the resources of the Connecticut River Valley, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BROOMFIELD:

H.R. 9274. A bill to permit a State to elect to use funds from the highway trust fund for purposes of urban mass transportation; to the Committee on Public Works.

By Mr. CABELL:

H.R. 9275. A bill to authorize the District of Columbia Council to change the amount of certain fees and other charges; to the Committee on the District of Columbia.

By Mr. CORMAN:

H.R. 9276. A bill to amend title 10, United States Code, to equalize the retirement pay of members of the uniformed services of equal rank and years of service, and for other purposes; to the Committee on Armed Services.

By Mr. HARVEY:

H.R. 9277. A bill to limit the amount of contributions in Federal elections and to provide for more stringent reporting requirements in such elections; to the Committee on House Administration.

H.R. 9278. A bill to provide for a limited Federal income tax credit for political contributions; to the Committee on Ways and Means.

By Mr. HELSTOSKI:

H.R. 9279. A bill to amend the Internal Revenue Code of 1954 to encourage higher education, and particularly to private funding thereof, by authorizing a deduction from gross income of reasonable amounts contributed to a qualified higher education fund established by the taxpayer for the purpose of funding the higher education of his dependents; to the Committee on Ways and Means.

By Mr. HUTCHINSON:

H.R. 9280. A bill to create a National Agricultural Bargaining Board, to provide standards for the qualification of associations of producers, to define the mutual obligation of handlers and associations of producers to negotiate regarding agricultural products, and for other purposes; to the Committee on Agriculture.

By Mr. KOCH:

H.R. 9281. A bill to amend the Agricultural Act of 1956 to allow for the donation of certain surplus commodities by the Commodity Credit Corporation to State and local penal institutions, and for other purposes; to the Committee on Agriculture.

By Mr. MIKVA:

H.R. 9282. A bill to establish and protect the rights of day laborers; to the Committee on Education and Labor.

By Mr. MOORHEAD (for himself, Mr. BROOMFIELD, Mr. HAMILTON, Mr. MOSS, Mr. WOLFF, Mr. HALPERN, Mr. ADDABBO, Mr. EILBERG, Mr. SCHWEN- GEL, Mr. VIGORITO, Mr. YATRON, Mr. HOSMER, Mr. COTTER, and Mr. COUGHLIN):

H.R. 9283. A bill to amend the Foreign Assistance Act of 1961 to authorize the President to expend certain foreign currencies for the purpose of providing U.S. financial assistance in the reopening of the Suez Canal, and for other purposes; to the Committee on Foreign Affairs.

By Mr. PRICE of Illinois (for himself, Mrs. SULLIVAN, Mr. GRAY, Mr. CLAY, Mr. SYMINGTON, Mr. HUNGATE, Mr. SHIPLEY, and Mr. ICHORD):

H.R. 9284. A bill to authorize the Secretary of the Interior to enlarge the Jefferson National Expansion Memorial National Historic Site, and for other purposes; to the Committee on House Administration.

By Mr. PRICE of Illinois (for himself, Mr. HOLIFIELD, and Mr. HOSMER) (by request):

H.R. 9285. A bill to amend section 182 of the Atomic Energy Act of 1954, as amended,

and for other purposes; to the Joint Committee on Atomic Energy.

H.R. 9286. A bill to amend the Atomic Energy Act of 1954, as amended, to require applicants for licenses to construct and operate utilization or production facilities to obtain a site authorization from the Atomic Energy Commission and to provide for a public hearing to be held in proceedings for site authorizations, and for other purposes; to the Joint Committee on Atomic Energy.

By Mr. QUILLEN:

H.R. 9287. A bill to amend title II of the Social Security Act to increase widow's insurance benefits to 100 percent of the insured individual's primary insurance amount, and to provide that such benefits shall be payable at age 50, without actuarial reduction and without regard to disability, in the case of a widow who is otherwise qualified therefor; to the Committee on Ways and Means.

By Mr. ROBINSON of Virginia:

H.R. 9288. A bill to establish a special action office for drug abuse prevention to concentrate the resources of the Nation in a crusade against drug abuse; to the Committee on Interstate and Foreign Commerce.

By Mr. ROONEY of Pennsylvania:

H.R. 9289. A bill to amend the Communications Satellite Act of 1962 and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WRIGHT:

H.R. 9290. A bill to establish a Special Action Office for Drug Abuse Prevention to concentrate the resources of the Nation in a crusade against drug abuse; to the Committee on Interstate and Foreign Commerce.

By Mr. ZWACH:

H.R. 9291. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for expenses incurred by a taxpayer in making repairs and improvements to his residence; to the Committee on Ways and Means.

By Mr. BURLISON of Missouri:

H.R. 9292. A bill to further provide for the farmer-owned cooperative system of making credit available to farmers and ranchers and their cooperatives, for rural residences, and to associations and other entities upon which farming operations are dependent, to provide for an adequate and flexible flow of money into rural areas, and to modernize and consolidate existing farm credit law to meet current and future rural credit needs, and for other purposes; to the Committee on Agriculture.

By Mr. CORMAN (for himself and Mr. GOLDWATER):

H.R. 9293. A bill to authorize increases in the forgiveness advantage contained in section 231(1)(A) and section 232(1)(A) of the Disaster Relief Act of 1970 to provide additional relief for total destruction of, or substantial damage to, homes as a result of the earthquakes in California in 1971; to the Committee on Public Works.

By Mr. LINK (for himself and Mr. ANDREWS of North Dakota):

H.R. 9294. A bill to authorize the Secretary of the Interior to convey trust title of U.S. Government land within the Devils Lake Sioux Reservation to the Devils Lake Sioux Tribe; to the Committee on Interior and Insular Affairs.

By Mr. LUJAN:

H.R. 9295. A bill to provide for advance approval of extended care and home health coverage under the medicare program; to the Committee on Ways and Means.

By Mr. STUCKEY:

H.R. 9296. A bill to amend the Social Security Act to provide for medical and hospital care through a system of voluntary health insurance including protection against the catastrophic expenses of illness, financed in whole for low-income groups through issuance of certificates, and in part for all other persons through allowance of tax credits; and to provide effective utilization of available financial resources, health manpower, and facilities; to the Committee on Ways and Means.

By Mr. FISH:

H.J. Res. 729. Joint resolution: Stable Purchasing Power Resolution of 1971; to the Committee on Government Operations.

By Mr. HALPERN:

H.J. Res. 730. Joint resolution instructing the Secretary of State to call for an international moratorium of 10 years on the killing of all species of whales; to the Committee on Foreign Affairs.

By Mrs. HICKS of Massachusetts:

H.J. Res. 731. Joint resolution urging the United Nations to establish "World Prayer for Peace Day" and urging all nations to participate in a joint effort to effect an end to amend hostilities; to the Committee on the Judiciary.

By Mr. HUTCHINSON:

H.J. Res. 732. Joint resolution: Stable Purchasing Power Resolution of 1971; to the Committee on Government Operations.

By Mr. POFF (for himself, Mr. ABBITT,

Mr. BROYHILL of Virginia, Mr. DANIEL of Virginia, Mr. DOWNING, Mr. ROBINSON of Virginia, Mr. SATTERFIELD, Mr. SCOTT, Mr. WAMPLER, and Mr. WHITEHURST):

H.J. Res. 733. Joint resolution granting the consent of Congress to certain boundary agreements between the States of Maryland and Virginia; to the Committee on the Judiciary.

By Mr. MIZELL:

H.J. Res. 734. Joint resolution proposing an amendment to the Constitution of the United States with respect to the offering of prayer in public buildings; to the Committee on the Judiciary.

By Mr. BOLAND:

H. Con. Res. 342. Concurrent resolution to create a select joint committee to conduct an investigation and study into the reasons for, and the course of, the U.S. involvement in the war in Vietnam; to the Committee on Rules.

By Mr. PETTIS:

H. Con. Res. 343. Concurrent resolution providing that all American military forces be withdrawn from Southeast Asia by the date certain of June 30, 1972, as long as the safe, orderly release of all American prisoners of war has been effected; to the Committee on Foreign Affairs.

By Mr. STEELE:

H. Con. Res. 344. Concurrent resolution expressing the sense of Congress that the elimination of narcotics and drug abuse is a national crusade to be accomplished by 1976 and that sufficient funds be appropriated necessary for a program of narcotics and drug abuse research; to the Committee on Interstate and Foreign Commerce.

By Mrs. ABZUG (for herself, Mr. MC-

CLOSKEY, Mr. ADDABBO, Mr. BADILLO, Mr. DELLUMS, Mr. HALPERN, Mr. HARRINGTON, Mr. RIEGLE, Mr. RYAN, Mr. STOKES, and Mr. HECHLER of West Virginia):

H. Res. 489. Resolution requesting the President to furnish the text of the study entitled "United States-Viet Nam Relationships, 1945-1967"; to the Committee on Armed Services.

By Mrs. ABZUG (for herself, Mr. HAW-

KINS, Mr. KOCH, Mr. BURTON, Mr. WALDIE, Mrs. MINK, Mr. EDWARDS of California, Mr. MITCHELL, Mrs. CHISHOLM, Mr. SCHEUER, Mr. BEGICH, Mr. ADAMS, Mr. BERGLAND, Mr. LINK, and Mr. ABOUREZK):

H. Res. 490. Resolution requesting the President to furnish the text of the study entitled "United States-Viet Nam Relationships, 1945-1967"; to the Committee on Armed Services.

By Mrs. ABZUG (for herself, Mr. Ad-

dabbo, Mr. Badillo, Mr. Dellums, Mr. Halpern, Mr. Harrington, Mr. Riegle, Mr. Ryan, Mr. Stokes, Mr. Hawkins, Mr. Koch, Mrs. Chisholm, Mr. Scheuer, Mrs. Mink, Mr. Begich, Mr. Bergland, Mr. Link, and Mr. Abourezk):

H. Res. 491. Resolution requesting the President, the Secretary of State, Secretary of Defense, and the Director of the Central Intelligence Agency to furnish the text of the study entitled "United States-Viet Nam Relationships, 1945-1967" and other relevant information regarding the U.S. involvement in Southeast Asia; to the Committee on Armed Services.

By Mr. McCLOSKEY:

H. Res. 492. Resolution directing the Secretary of State to furnish to the House certain information respecting U.S. operations in Laos; to the Committee on Foreign Affairs.

H. Res. 493. Resolution directing the Secretary of State to furnish to the House certain information respecting the Phoenix program; to the Committee on Foreign Affairs.

H. Res. 494. Resolution directing the Sec-

retary of State to furnish to the House the report "United States-Viet Nam Relationships, 1945-1967"; to the Committee on Foreign Affairs.

H. Res. 495. Resolution directing the Secretary of State to furnish to the House certain information respecting bombing operations in northern Laos; to the Committee on Foreign Affairs.

By Mr. RARICK (for himself, Mr. DERWINSKI, and Mr. SCHMITZ):

H. Res. 496. Resolution creating a select committee to conduct an investigation into all crimes against humanity perpetrated by Communists or under Communist direction, and to express the sense of Congress that a monument be erected as a suitable memorial to all victims of Communist actions; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII,

216. The SPEAKER presented a memorial of the Legislature of the State of Michigan, relative to issuing a commemorative stamp honoring Spanish War veterans, which was referred to the Committee on Post Office and Civil Service.

PETITIONS, ETC.

Under clause 1 of rule XXII,

88. The SPEAKER presented a petition of the Council of the City of New York, N.Y., relative to treatment of Soviet Jews by the Soviet Union; to the Committee on Foreign Affairs.

EXTENSIONS OF REMARKS

CHINN HO, NOTED PUBLISHER AND BUSINESS LEADER, URGES INTERNATIONAL EFFORT TO SECURE WORLD PEACE

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Monday, June 21, 1971

Mr. RANDOLPH. Mr. President, an editorial published recently in the *Huntington, W. Va., Herald-Dispatch* declared that:

The vastness of today's America, stretching northward to Alaska and eastward to Hawaii, is a preachment against parochialism and reminder that the nation's modern interests are nearly as sensitive to an event in the Far East as to a situation in the more familiar setting of Western Europe . . .

Then the editorial, entitled "World Advised To Think of 'Unmistakable Events,'" quoted from an address by the chairman of the board of the *Huntington Publishing Co.*, Chinn Ho, who traveled from his home in Honolulu to Helsinki, Finland, to address the *International Press Institute* on June 7. Mr. Ho, a noted business leader, told the international journalists that:

Communication and commerce can rise above the restrictions of diplomatic protocol—can overcome the stiffness of the present formal international relations. . . . The pressures of change force adjustments that need not and should not be forced. . . . We have long since reached the day that the "unthinkables of the past" should not be permitted to continue as "unthinkables."

Consider how much farther we would all be down the road of fruitful living if man had accepted in the past and would accept now the "mandate of change."

The timely editorial next highlighted that portion of Mr. Ho's address in which he enumerated for his distinguished audience of international journalists these "unthinkable" landmark events of the last century:

1—The American Civil War, which thrust upon the world's scene the proposition that "all men are created equal," and which motivated the U.S. to "look west;"

2—The Russian Revolution, "which projected into the world picture the proposition that equality applies to economics of human kind as well as to race. World revolu-

tion finally gave way to acknowledgment and acceptance."

3—The Great Depression, which compelled the sick U.S. economic system to modify, adjust and re-evaluate. The right of "oppressive economic control" could never again be held paramount to human needs;

4—Germany's Invasion of Russia, the strategic error which ended the threat that totalitarian government could "emerge victorious over those who would seek to control their own destinies;"

5—The Hiroshima Bomb, "a crisis in which the average man played no part and had no decision, but one that once committed would hang like a ghostly specter over the world;"

6—The Defeat of Winston Churchill, which demonstrated that "victory in war was not enough. Victory for the individual in his struggle for a better life became paramount;"

7—The Communist Victory in China, "which will probably be the most important event of the last 100 years in terms of its effect on the future of the world;"

8—The U.S. Supreme Court Desegregation Decision of 1954, which provided the basic ingredients for change that is still under way;

9—U.S. Project Against the War in Vietnam—a movement at first unpopular which is now strong, significant and growing;

10—Fidel Castro's Revolt in Cuba, which "at first popular, then very unpopular, is now being accepted."

The editorial accurately suggested that perhaps Mr. Ho's 10 "turning points in history" are as significant for what is omitted as for the landmark events he selected, and then it asked:

Did Winston Churchill's defeat by the Labor Party in 1945 have greater impact on men's institutions and aspirations than the two world wars? It's at least a provocative idea—a challenge to journalists who are the historians of the present—and a reminder of the rule that profound social changes seldom occur during wartime. Perhaps the changes now occurring as a result of the burgeoning anti-emotionalism are the exceptions that tend to verify that rule.

Noting that thoughtful men everywhere will take inspiration, as well as gain enlightenment, from Mr. Ho's international message, the editorial quoted in conclusion from it:

The time is now that the nations of the world must seek to find peace through serving each other's wants—intellectually and economically. A major responsibility in the successful accomplishment of this rests with you, the newspaper people of the world. Do

not treat lightly this heavy, heavy responsibility. Help mankind to think those things that were unthinkable in the past.

Mr. President, the *Huntington Herald-Dispatch*, a morning newspaper, and the *Huntington Advertiser*, an afternoon newspaper, and the *Sunday Herald-Advertiser* were recently acquired by Chinn Ho when he and associates purchased the *Huntington Publishing Co.* I have known Mr. Ho for a substantial number of years as a successful businessman and newspaper publisher especially well informed on world affairs. Those of us in West Virginia who have known him have confidence that, as chairman of the board of the *Huntington Publishing Co.*, Mr. Ho will constantly strive to give the readers of the *Huntington newspapers* high-quality journalistic media and will provide the community with a continuing sound business enterprise. When John L. Foy was named publisher and general manager, the *Huntington newspapers* were assured of experienced and capable operational leadership.

DISTRICT OF COLUMBIA ENVIRONMENT—SECOND-CLASS EDUCATION

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 18, 1971

Mr. RARICK. Mr. Speaker, an interesting confession of the inadequacy of the District school system to prepare its youth for full citizenship appeared recently in the *Washington Post*, the progressive conscience of the District. Hugh J. Scott, superintendent of the District of Columbia school system, was forced to revise his policies in an attempt to bring the performance level of the students in the city schools closer to the national averages.

At present, the *Post* confesses, the average gain of the students in the District of Columbia schools is about three-fourths of the national rate. This would mean that the average eighth-grade student in the District schools is equivalent to the average sixth-grade student on a national basis.

But, and this is even more shocking,