later the sergeant said confirmation of licenses and Gun Club Membership was being confirmed.

I had a second interrogation a little later re name, address and personal details. I was asked to sign the answers. It was read to me as I couldn't read without my glasses and I signed it.

A sergeant gave me back my pocketbook and small change. He told me my guns would be given back later. I was taken in a jeep and left in Beechmount Avenue, about 200 yards from my home.

A neighbour, Marie McNeill met me and was horrified at my condition. I was hardly able to walk. My pullover was torn and my pants were dirty. She asked two men to carry me home. I got in about 1 p.m. to my own home.

My wife sent for Dr. Jim Ryan who examined me and took details of my multiple bruises and abrasions. He has been my doctor since 1934 and only yesterday did he realize that I was a Protestant living in a totally Catholic neighbourhood. The one and only time I was ever beaten was on August 12, 1971 and that was by the British Army. Today I am confined to bed unable to walk and I don't know when I shall be able to.

I am a diabetic and suffer from hypertension. About a year ago I had two minor strokes and was confined to bed for a month. I have since been attending clinics of Dr. Boyle in the Royal Victoria Hospital. I am on constant medication for both complaints.

To the best of my knowledge the information which I have given above is a true and accurate account of what happened.

Signature: J. Magilton.
Witness: Rev. B. J. Brady.
Date: 14 August 1971.

ENVIRONMENTAL PESTICIDES CONTROL ACT

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1971

Mr. BROOMFIELD. Mr. Speaker, I was pleased to support the Federal Environmental Pesticides Control Act which regulates the production and sale of potentially dangerous chemical compounds.

The fact that there are presently over 60,000 pesticides on the market demonstrates a clear need for some form of regulation. These products could pose a serious threat to the health of our environment. While it is true that the vast majority are quite safe, there is always the possibility that some may have undesired and as yet unknown side effects. Therefore, it is reasonable and perhaps necessary that we require the closest possible scrutiny of these compounds before they are sold.

Mr. Speaker, I am proud to say that my home State has been a leader in controlling the sale and use of pesticides. Michigan has recognized that the health and safety of her people demands government standards that are set and reviewed by a neutral third party.

Unfortunately, the dangerous effects of these pesticides often spreads far beyond the boundaries of the States where they are initially applied. Carried by winds and streams, they pose a threat to many neighboring States. This is one reason why individual State regulations are not enough. Complete security can only be assured through federally enforced national guidelines.

I was encouraged that a provision which would allow stricter State laws to stand even if Federal ones are weaker was added to the legislation. Surely it would be ironic if under the banner of environmental protection this measure would operate to dilute strong State laws now in effect. In this way, those States which have recognized the critical need for review and licensing of pesticides will not be reduced to a lowest common denominator.

HOUSE OF REPRESENTATIVES—*Thursday, November 11, 1971*

Rev. V. Frederick Halboth, Jr., pastor, Grace Lutheran Church, Detroit Mich., offered the following prayer:

In the name of the Father, and of the Son, and of the Holy Spirit. Amen.

Our Heavenly Father, we give Thee thanks for our country, for those who laid its foundations, and for those who have sacrificed their lives in its service. Strengthen those who now labor to keep it strong.

Heavenly Father, you know the problems of our world better than we do. Decay in morals, hunger of spirit and stomach, pollution of mind and air, broken relationships between generations and classes, crime in the streets, and the war in distant lands.

Heavenly Father, give wisdom and courage to these leaders of our beloved land as they grapple with these pressing problems. Give them counsel and defense, health and patience to bear the heavy burdens of their office.

We are grateful to them, Heavenly Father, as they serve us with ready hearts and willing minds. Amid the turbulent tenor of these troubled times, we seek Thy security and shelter.

Bless all citizens of this our native land. Make of us a nation and a people who do justly, love mercy, and walk humbly with Thee, their God. 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 a bill of the following title, in which the concurrence of the House is requested:

S. 2820. An act to provide foreign economic and humanitarian assistance authorizations for fiscal year 1972, and for other purposes.

SOUTH CAROLINA NO. 1 IN NATION'S BOND MARKET

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

Mr. DORN. Mr. Speaker, South Carolina is No. 1 in the Nation's bond market. A $37.5 million State bond issue, the proceeds of which will in large part be used for education, recently sold in New York at the fantastically low interest rate of 3.867 percent. Mr. Speaker, this is a splendid tribute to the Democratic Party of South Carolina. The South Carolina Democratic Party has for more than 100 years provided our State with progressive and efficient good government.

This good government makes it possible for our State to sell its bonds at the lowest interest rates, rates that each year save South Carolina taxpayers millions of dollars. Good government has made it possible for South Carolina to make a splendid investment in tomorrow at the lowest possible costs. In the words of South Carolina's very able and dynamic State treasurer, Grady L. Patterson, Jr.:

This sale is another chapter in the continuing story of sound fiscal management and financial responsibility in South Carolina.

Yes, Mr. Speaker, South Carolina is truly No. 1; and South Carolinians point with great pride to the fact that our State's splendid credit rating makes possible new investments for education and a better tomorrow.

PERSONAL ANNOUNCEMENT

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

Mr. MIKVA. Mr. Speaker, I was necessarily absent when the House voted yesterday on whether the United States should violate the international boycott of Rhodesia by importing Rhodesian chrome—roll 379. Had I been present, I would have voted "no."

AN FBI INVESTIGATION

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

Mr. SCHEUER. Mr. Speaker, today's Washington Post contains a confirmed story about an FBI investigation of a national television correspondent, Mr. Daniel Schorr of CBS.

The investigation, which involved the questioning of Mr. Schorr's friends and neighbors, was allegedly conducted, because Mr. Schorr was being considered for a "position of trust and confidence" in the Government. This explanation is not credible. In fact, the story suggests to all but the most naive that the investigation was conducted, because the White

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

House did not like Mr. Schorr's coverage of the news.

If this is so, this misuse of the FBI, this attempt to intimidate newsmen, is outrageous and must be the subject of a thorough and searching investigation by this body.

It comes dangerously close to the manner in which the Greek junta suppresses the press and intimidates reporters by the arbitrary use of police power. The use of the FBI for political purposes is reminiscent of the use of arbitrary police power to intimidate and throttle the free press and free exercise of dissent during the dozen years of Nazism and the half-century-long history of Soviet dictatorship. It does the FBI a grave disservice as a totally nonpolitical law enforcement investigatory body. It sets a precedent which threatens both the integrity of the FBI investigating process, and the integrity of the first amendment and must be stopped now.

In addition to the investigation of Mr. Schorr, this administration has attempted to have reporters such as Mr. Dan Rather transferred from his position as White House correspondent, attempted to control the policies of the Corporation for Public Broadcasting and, of course, attempted to erase the first amendment from the Constitution through the first Government suit in our nearly 200-year history to control the content of a newspaper prior to publication.

In, short, this administration is trying to prevent the emergence of a "credibility gap" not by telling the people the truth but by preventing them from discovering the truth.

The time has come to say "enough." A pattern is now all too clear. In this government of checks and balances, this body must play its rightful constitutional role. The time for a public investigation of the administration's actsions in this area is long past due. I have urged the distinguished chairman of the Judiciary Committee to undertake such an investigation immediately and, in fact, he has informed me that he has already communicated with the Attorney General requesting an explanation of the events surrounding the FBI investigation of Mr. Schorr. The right of the people to know and the right of the media to report without fear of official police-state harassment is at stake.

A STEP TOWARD A POLICE STATE?

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

Mr. EDWARDS of California. Mr. Speaker, it is not only appalling but frightening to pick up this morning's Washington Post and read that acting on orders from the White House the FBI has been investigating veteran CBS newsman Daniel Schorr.

I can recall in 1962 when President, then candidate, Nixon was concluding his unsuccessful campaign for Governor of California. In a now famous speech containing remarks directed at the news people who had covered his campaign, he stated that no matter how unfair he thought they were, he did not cancel his subscriptions to any of their newspapers. This was an obvious reference to the fact that President Kennedy had.

I would much prefer frankly that he did cancel his subscriptions or turn off an offending program, that is his individual right. But, to use the intimidation of an FBI probe in utter disregard for the first amendment of our Constitution does not set an example of understanding and devotion to the principles of the Bill of Rights which we have a right to expect from our highest elected official.

PROVIDING FOR CONSIDERATION OF H.R. 11341, DISTRICT OF COLUMBIA REVENUE ACT OF 1971

Mr. O'NEILL. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 698 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 698

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. 11341) to provide additional revenue for the District of Columbia, and for other purposes, and all points of order against said bill for failure to comply with the provisions of clause 27(b) of rule XI are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the District of Columbia, the bill shall be read for amendment under the five-minute rule by titles instead of by sections. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Massachusetts is recognized for 1 hour.

Mr. O'NEILL. Mr. Speaker, I yield 30 minutes to the distinguished gentleman from Nebraska (Mr. MARTIN), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 698 provides an open rule with 1 hour of general debate for consideration of H.R. 11341, the District of Columbia Revenue Act. All points of order are waived for failure to comply with clause 27(b) of rule XI—for failure to set forth the committee vote in the report—and the bill shall be read for amendment by titles instead of by sections.

The principal purpose of H.R. 11341 is to provide additional revenue for the District of Columbia.

The annual Federal payment to the District of Columbia will be increased to $170 million—an increase of $44 million. In addition, there will be an increase in inheritance taxes, motor vehicle fuel tax, corporate income tax, real property tax, and advertising tax. The present business inventory tax will be phased out over the next 3 fiscal years and will be replaced in part by an increase in the rate of tax on taxable income of corporations.

The existing loan authority for the District Sanitary Sewage Works Fund will be increased from $72 to $106 million.

Title VII of the bill makes a number of changes in existing law which propose to decrease expenditures and/or increase efficiency. Among other things, they deal with the disposition of real property, dual compensation, the District budget and Federal grant funds, public assistance rent allotments, personnel limitations, and welfare recipients.

Mr. Speaker, I urge the adoption of the rule in order that the bill may be considered.

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

Mr. O'NEILL. I yield to the gentleman from Iowa.

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

Would the gentleman again state why section 27(b) of rule XI is being waived in connection with this bill?

Mr. O'NEILL. Because the report failed to set forth the committee vote and under the Legislative Reorganization Act such a vote is required, and they neglected to put it in the report.

Mr. GROSS. Mr. Speaker, a few days ago I commended the Committee on Rules for having brought out a completely open rule for the first time in I cannot remember when. I do not want to have to withdraw that commendation of the Committee on Rules, and I would hope that we could again get one rule that did not waive points of order, or otherwise inhibit the Rules of the House.

Mr. O'NEILL. May I say that the Committee on the District of Columbia came before the Committee on Rules and said it was caused through an error on their part and, therefore, for that reason they asked for this rule.

Mr. GROSS. I can understand that there would be an excuse of some kind.

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

Mr. Speaker, as the gentleman from Massachusetts has explained, House Resolution 698 provides for 1 hour of general debate, under an open rule, except far waiving points of order, to comply with the provisions of clause 27(b) of rule XI of the Rules of the House. I would like to speak on that for just a moment to the gentleman from Iowa because of his recent colloquy with the gentleman from Massachusetts.

As I understand it, and as it was explained to us in our hearings in the Committee on Rules, the waiver is necessary because the Government Printing Office inadvertently failed to include in the report the vote of the committee on reporting out this legislation. It was simply a printing error, and that is why it had to be waived in that one particular instance.

Mr. Speaker, I will not go into the details of the bill's provisions of the Revenue Act for the District of Columbia, since the gentleman from Massachusetts (Mr. O'NEILL) has adequately covered that. I would, however, like to address myself for a moment or two to one provision of the bill—and remember, this is a revenue act—which I very strongly object

to being included in this legislation. That is section 708, the provision that would reclassify on a zoning basis the Providence Hospital site located within about four blocks of the Capitol between C and D, and Second and Third Streets, to rezone that so that the developers of that property could put up an apartment house.

These developers attempted to make a fast buck out of this operation when they bought the property in 1962. They applied to the zoning board in the District of Columbia, requesting that it be rezoned so that an apartment building could be constructed on that site.

After a hearing by the zoning board, which was opposed by the residents of the Capitol Hill area, their request was rejected.

Since that time the District of Columbia Committee has included in the legislation, at the latest time, last year, provisions to allow these developers to proceed to build an apartment house on that site.

During debate on that proposal last year, the Speaker of the House, Mr. McCormack, spoke in the well in opposition to the provision. It was a very similar provision—slightly different—but very similar to what we have at the present time in this legislation.

Mr. Speaker, I do not feel that the Congress should enact legislation to allow a few real estate developers to proceed to build an apartment house on this site when they have been turned down by the Zoning Board of the District of Columbia. Also, when there has been generated a great deal of opposition on the part of the residents of Capitol Hill.

I am informed that no hearings were held on this provision and that it was put in at the last minute in this revenue bill which we have before us today.

I understand that an amendment will be offered during debate to remove this provision from the legislation. I strongly support that effort to remove this section from the bill which would rezone the Providence Hospital site.

Mr. Speaker, I am happy to yield to the gentleman from South Carolina (Mr. McMILLAN) if he wishes me to yield.

Mr. McMILLAN. The gentleman has covered the matter I was going to mention.

Mr. MARTIN. Mr. Speaker, I yield to the distinguished minority leader, the gentleman from Michigan (Mr. GERALD R. FORD) such time as he may consume.

Mr. O'NEILL. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

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

Mr. HOSMER. 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 359, nays 8, not voting 63, as follows:

[Roll No. 380]

YEAS—359

Abbitt	Edmondson	McKevitt
Abernethy	Edwards, Ala.	McKinney
Abourezk	Edwards, Calif.	McMillan
Abzug	Eilberg	Mahon
Addabbo	Erlenborn	Mailliard
Alexander	Esch	Mann
Anderson, Calif.	Evans, Colo.	Martin
Anderson, Ill.	Evins, Tenn.	Mathias, Calif.
Anderson, Tenn.	Fascell	Mathis, Ga.
Andrews, Ala.	Findley	Matsunaga
Andrews, N. Dak.	Fisher	Mayne
Annunzio	Flood	Mazzoli
Archer	Flowers	Meeds
Arends	Flynt	Metcalfe
Ashley	Foley	Michel
Aspin	Ford, Gerald R.	Mikva
Aspinall	Forsythe	Miller, Calif.
Badillo	Fraser	Miller, Ohio
Baker	Frenzel	Mills, Md.
Baring	Frey	Minish
Begich	Fulton, Tenn.	Mink
Bennett	Fuqua	Minshall
Bergland	Galifianakis	Mitchell
Betts	Garmatz	Mizell
Biaggi	Gaydos	Mollohan
Biester	Gettys	Monagan
Bingham	Giaimo	Montgomery
Blatnik	Gibbons	Moorhead
Boggs	Goldwater	Morgan
Boland	Gonzalez	Morse
Bolling	Grasso	Mosher
Bow	Green, Oreg.	Moss
Brademas	Green, Pa.	Murphy, Ill.
Brasco	Griffin	Murphy, N.Y.
Bray	Griffiths	Myers
Brinkley	Grover	Natcher
Brooks	Gude	Nedzi
Broomfield	Hagan	Nelsen
Brotzman	Haley	Nichols
Brown, Ohio	Hamilton	Nix
Broyhill, N.C.	Hammer-schmidt	Obey
Broyhill, Va.	Hanley	O'Hara
Buchanan	Hanna	O'Konski
Burke, Fla.	Hansen, Idaho	O'Neill
Burke, Mass.	Hansen, Wash.	Passman
Burleson, Tex.	Harrington	Patten
Burlison, Mo.	Harvey	Perkins
Burton	Hathaway	Pettis
Byrne, Pa.	Hawkins	Peyser
Byrnes, Wis.	Hays	Pickle
Byron	Hébert	Pike
Cabell	Hechler, W. Va.	Poage
Caffery	Heckler, Mass.	Podell
Carey, N.Y.	Heinz	Poff
Carney	Helstoski	Powell
Carter	Henderson	Preyer, N.C.
Casey, Tex.	Hicks, Mass.	Price, Ill.
Cederberg	Hicks, Wash.	Price, Tex.
Celler	Hillis	Pryor, Ark.
Chamberlain	Hogan	Pucinski
Clark	Holifield	Purcell
Clausen, Don H.	Horton	Quie
Clay	Hosmer	Railsback
Cleveland	Howard	Randall
Collier	Hull	Rangel
Collins, Ill.	Hungate	Rarick
Collins, Tex.	Hunt	Reuss
Colmer	Hutchinson	Rhodes
Conable	Ichord	Riegle
Conte	Jacobs	Roberts
Corman	Jarman	Robinson, Va.
Cotter	Johnson, Calif.	Robison, N.Y.
Coughlin	Johnson, Pa.	Rodino
Crane	Jonas	Roe
Culver	Jones, Tenn.	Rogers
Daniel, Va.	Karth	Roncalio
Daniels, N.J.	Kastenmeier	Rooney, N.Y.
Danielson	Keating	Rooney, Pa.
Davis, Ga.	Keith	Rosenthal
Davis, S.C.	Kemp	Rostenkowski
Davis, Wis.	Kluczynski	Roush
de la Garza	Koch	Roy
Delaney	Kuykendall	Roybal
Dellenback	Kyl	Runnels
Dellums	Kyros	Ruppe
Denholm	Landrum	Ruth
Dennis	Latta	Ryan
Dent	Leggett	St Germain
Devine	Lennon	Sarbanes
Dickinson	Lent	Satterfield
Donohue	Long, Md.	Scherle
Dorn	Lujan	Scheuer
Dow	McClory	Schneebeli
Downing	McCloskey	Scott
Drinan	McCollister	Sebelius
Duncan	McCormack	Seiberling
du Pont	McCulloch	Shipley
Dwyer	McDade	Shoup
Eckhardt	McDonald, Mich.	Shriver
Edwards, Calif.	McEwen	Sikes
Eilberg	McFall	Sisk
Erlenborn	McKevitt	Skubitz
Esch	McKinney	Slack
Evans, Colo.	McMillan	Smith, Calif.
Evins, Tenn.	Mahon	Smith, Iowa
Fascell	Mailliard	Smith, N.Y.
Findley	Mann	Snyder
Fisher	Martin	Spence
Flood	Mathias, Calif.	Springer
Flowers	Mathis, Ga.	Staggers
Flynt	Matsunaga	Stanton, James V.
Foley	Mayne	Steed
Ford, Gerald R.	Mazzoli	Steiger, Ariz.
Forsythe	Meeds	Steiger, Wis.
Fraser	Metcalfe	Stephens
Frenzel	Michel	Stokes
Frey	Mikva	Stratton
Fulton, Tenn.	Miller, Calif.	Stubblefield
Fuqua	Miller, Ohio	Stuckey
Galifianakis	Mills, Md.	Sullivan
Garmatz	Minish	Symington
Gaydos	Mink	Talcott
Gettys	Minshall	Taylor
Giaimo	Mitchell	Teague, Calif.
Gibbons	Mizell	Teague, Tex.
Goldwater	Mollohan	Terry
Gonzalez	Monagan	Thompson, Ga.
Grasso	Montgomery	Thompson, N.J.
Green, Oreg.	Moorhead	Thomson, Wis.
Green, Pa.	Morgan	Thone
Griffin	Morse	Tiernan
Griffiths	Mosher	Udall
Grover	Moss	Ullman
Gude	Murphy, Ill.	Van Deerlin
Hagan	Murphy, N.Y.	Vander Jagt
Haley	Myers	Vanik
Hamilton	Natcher	Waggonner
Hammer-schmidt	Nedzi	Waldie
Hanley	Nelsen	Wampler
Hanna	Nichols	Ware
Hansen, Idaho	Nix	Whalley
Hansen, Wash.	Obey	White
Harrington	O'Hara	Whitehurst
Harvey	O'Konski	Wiggins
Hathaway	O'Neill	Williams
Hawkins	Passman	Wilson, Bob
Hays	Patten	Winn
Hébert	Perkins	Wolff
Hechler, W. Va.	Pettis	Wright
Heckler, Mass.	Peyser	Wyatt
Heinz	Pickle	Wydler
Helstoski	Pike	Wylie
Henderson	Poage	Yates
Hicks, Mass.	Podell	Yatron
Hicks, Wash.	Poff	Young, Fla.
Hillis	Powell	Young, Tex.
Hogan	Preyer, N.C.	Zablocki
Holifield	Price, Ill.	Zion
Horton	Price, Tex.	Zwach
Hosmer	Pryor, Ark.	
Howard	Pucinski	
Hull	Purcell	
Hungate	Quie	
Hunt	Railsback	
Hutchinson	Randall	
Ichord	Rangel	
Jacobs	Rarick	
Jarman	Reuss	
Johnson, Calif.	Rhodes	
Johnson, Pa.	Riegle	
Jonas	Roberts	
Jones, Tenn.	Robinson, Va.	
Karth	Robison, N.Y.	
Kastenmeier	Rodino	
Keating	Roe	
Keith	Rogers	
Kemp	Roncalio	
Kluczynski	Rooney, N.Y.	
Koch	Rooney, Pa.	
Kuykendall	Rosenthal	
Kyl	Rostenkowski	
Kyros	Roush	
Landrum	Roy	
Latta	Roybal	
Leggett	Runnels	
Lennon	Ruppe	
Lent	Ruth	
Long, Md.	Ryan	
Lujan	St Germain	
McClory	Sarbanes	
McCloskey	Satterfield	
McCollister	Scherle	
McCormack	Scheuer	
McCulloch	Schneebeli	
McDade	Scott	
McDonald, Mich.	Sebelius	
McEwen	Seiberling	
McFall	Shipley	
	Shoup	
	Shriver	
	Sikes	
	Sisk	
	Skubitz	
	Slack	

NAYS—8

Ashbrook	Gross	Rousselot
Bevill	Hall	Schmitz
Camp	Quillen	

NOT VOTING—63

Adams	Frelinghuysen	Mills, Ark.
Barrett	Gallagher	Patman
Belcher	Goodling	Pelly
Bell	Gray	Pepper
Blackburn	Gubser	Pirnie
Blanton	Halpern	Rees
Brown, Mich.	Harsha	Reid, N.Y.
Chappell	Hastings	Sandman
Chisholm	Jones, Ala.	Saylor
Clancy	Jones, N.C.	Schwengel
Clawson, Del	Kazen	Stanton, J. William
Conyers	Kee	Steele
Derwinski	King	Veysey
Diggs	Landgrebe	Vigorito
Dingell	Link	Whalen
Dowdy	Lloyd	Whitten
Dulski	Long, La.	Widnall
Edwards, La.	McClure	Wilson, Charles H.
Eshleman	McKay	Wyman
Fish	Macdonald, Mass.	
Ford, William D.	Madden	
Fountain	Melcher	

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Barrett with Mr. Saylor.
Mr. Adams with Mr. Eshleman.
Mr. Link with Mr. Belcher.
Mr. Charles H. Wilson with Mr. Bell.
Mr. Chappell with Mr. Blackburn.
Mr. Dingell with Mr. Brown of Michigan.
Mr. Dulski with Mr. Goodling.
Mr. Gray with Mr. Clancy.
Mr. Macdonald of Massachusetts with Mr. Gubser.
Mr. Jones of Alabama with Mr. Landgrebe.
Mr. Kazen with Mr. McClure.
Mr. McKay with Mr. Lloyd.
Mr. Madden with Mr. Pirnie.
Mr. Blanton with Mr. Pelly.
Mr. Vigorito with Mr. Conyers.
Mr. Rees with Mr. Del Clawson.
Mr. Diggs with Mr. Derwinski.
Mr. Gallagher with Mr. Widnall.
Mr. Fountain with Mr. Harsha.
Mr. Jones of North Carolina with Mr. Reid of New York.
Mr. Whitten with Mr. Hastings.
Mr. William D. Ford with Mr. Fish.
Mrs. Chisholm with Mr. Halpern.
Mr. Melcher with Mr. King.
Mr. Mills of Arkansas with Mr. Frelinghuysen.
Mr. Pepper with Mr. Schwengel.
Mr. J. William Stanton with Mr. Wyman.
Mr. Steele with Mr. Veysey.
Mr. Kee with Mr. Whalen.
Mr. Gray with Mr. Gubser.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE REPORT ON DEPARTMENT OF DEFENSE APPROPRIATIONS, 1972

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the Committee on Ap-

propriations may have until midnight tonight to file a privileged report on the Department of Defense appropriation bill for the fiscal year 1972.

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

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

There was no objection.

FACILITATING THE TRANSPORTATION OF CARGO BY BARGES SPECIFICALLY DESIGNED FOR CARRIAGE ABOARD A VESSEL

Mr. GARMATZ. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 155) to facilitate the transportation of cargo by barges specifically designed for carriage aboard a vessel, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, lines 5 and 6, strike out "this section shall not apply" and insert: "the Secretary of the Treasury may suspend the application of this section".

Page 2, lines 7 and 8, strike out ", including districts, territories, and possessions thereof embraced within the coastwise laws," and insert: "(excluding transportation between the continental United States and noncontiguous states, districts, territories, and possessions embraced within the coastwise laws)".

Page 2, after line 16, insert:

"SEC. 2. For a period of five years following the enactment of this Act, the Secretary of the Treasury shall at the beginning of each regular session make a report to the Congress regarding activities under this Act, including but not limited to the extent to which foreign governments are extending reciprocal privileges to the vessels of the United States."

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

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

DISTRICT OF COLUMBIA REVENUE ACT OF 1971

Mr. CABELL. 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. 11341) to provide additional revenue for the District of Columbia, and for other purposes.

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

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 11341, with Mr. MCFALL in the chair.

The Clerk read the title of the bill.

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

The CHAIRMAN. Under the rule, the gentleman from Texas (Mr. CABELL) will be recognized for 30 minutes, and the gentleman from Minnesota (Mr. NELSEN) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas.

Mr. CABELL. Mr. Chairman, I yield myself 10 minutes.

The CHAIRMAN. The gentleman is recognized.

Mr. CABELL. Mr. Chairman, I first would like to commend the excellent efforts of the Subcommittee on Commerce, Trade and Fiscal Affairs for the tremendous amount of effort and time put in on trying to bring to you this revenue bill. There were 13 days of hearings, consuming nearly 60 hours, including 30 hours of open hearings and 30 hours of executive hearings.

I certainly wish to compliment and thank the members of the subcommittee for their patience and for their diligence. I was privileged to conduct these hearings on the revenue proposals of the District of Columbia, and I should like to point out again that our subcommittee held over a dozen hearings on these proposals in order to attempt to thresh out and agree upon proposals to assist the District of Columbia insofar as humanly possible, and at the same time do justice to the millions of taxpayers all over the United States for carrying such a huge part of the tax revenue requirements of the District of Columbia.

Our committee has long felt that it has a dual obligation. It has an obligation to the people of the District of Columbia to provide them with the necessary facilities, the necessary programs to keep them on a par with any similar community in the United States or elsewhere. It also has an obligation to the general public, that is, the American public, to maintain this, their Nation's Capital, in the finest possible posture. We have an obligation to those people also, both in the District and the Nation at large, to see that their costs are held at the most efficient level consistent with services rendered and required as is possible.

Likewise, it is also necessary that the Congress protect tax moneys provided through the terrifically large Federal contributions for these various programs. Our committee feels, and I am sure most Members will agree, that we have a right to see to the judicial spending of our tax dollars.

I will very briefly go into and briefly discuss the titles of the bill, and then I will be glad to yield for any questions that may be presented.

Title I is an increase in the inheritance tax within the District as requested by the District government—however, not to quite the same extent. This is an increase that ranges from 1 percent on certain categories, to as much as 8 percent in those inheritances in excess of $1 million. A summary of the rates is indicated as follows:

H.R. 11341—D.C. REVENUE ACT OF 1971

TITLE I—INHERITANCE TAX:

50 percent increase over present rates:
1 percent over $5,000 to $25,000
2 percent over $25,000 to $50,000
3 percent over $50,000 to $100,000
5 percent over $100,00 to $500,00
6 percent over $50,000 to $1 million
8 percent in excess of $1 million

(Foregoing is for father, mother, husband, wife, children or other lineal decendents, or adopted children, of the decedent.)

For other persons than those named above the tax is as follows:
5 percent from $1,000 to $25,000
10 percent from $25,000 to $50,000
14 percent from $50,000 to $100,000
18 percent from $100,000 to $500,000
22 percent from $500,000 to $1 million
23 percent in excess of $1 million

It is estimated that the additional revenue to be derived from this increase will be approximately $2.8 million per year.

Title II provides for the phasing out and ultimate repeal of the business inventory tax which the committee believes is a regressive tax in that it withholds revenues from the District government. This will be phased out beginning in 1973, and the phasing out will be wound up in 1975, as indicated in the summary following:

Title II—Repeal of Business Inventory Tax—Said tax to be phased out as follows:
Two-thirds of present rate for fiscal 1973.
One-third of present rate for fiscal 1974.
Entirely repealed as of July 1, 1974.
Resulting tax loss $2.6 million for 1973; $5.3 million for 1974; and $8.5 million for 1975.

This will mean by 1975 a decrease of approximately $8 million, but this will preclude the habit that merchants properly have of keeping their inventory at a bare minimum or else storing their inventory outside the District. Since our neighboring districts do not have this business inventory tax, we feel it is only fair to the business people and merchants of the District to phase this tax out.

Title III is an increase of 1 cent per gallon on motor fuels, from 7 cents to 8 cents per gallon. Both Maryland and Virginia apparently have 7 cents per gallon, but it is quite possible and probable that they will raise to 8 cents. This also is estimated to yield approximately $1.5 million, and it also repeals the exemption for existing tax for "nonhighway use."

Title IV on corporation income tax increase from 6 to 7 percent whereas the Maryland rate is presently 7 percent, and the Virginia rate 5 percent. The estimated yield on this is $3 million annually.

Title V is an increase in the special funds borrowing authority of the District of Columbia. This is highly necessary in their capital improvements work with reference to the sanitary sewer works by increasing their borrowing capacity from $72 to $106 million. These public works projects are or should be self-liquidating.

This provision also increases the borrowing capacity of the funds by $10.5 million for the sanitary sewer works.

Title VI is that portion of the revenue bill for the District that comprises the Federal contribution to the District government, which, under the provisions of this bill, increases the Federal contribution by $44 million to a total of $170 million.

Title VII authorizes the disposition of some District of Columbia land in Prince Georges County, Md., at a market value of approximately $572,000. This land has been declared unusable and unneeded for

District purposes. Therefore, it was not considered necessary or even expedient to continue to hold, when a half million dollars could be put into the general fund.

Section 702 prohibits dual compensation from grant funds received by the District of Columbia which would be in addition to regular salary payments from appropriated funds. I believe that is more or less self-explanatory.

Section 703 requires the District government to submit to Congress, along with its own budget proposals, a schedule showing all funds available to the District from grants from any Federal agency, department, or instrumentality, or any private source. This does not in any way reduce those funds, nor does it put them under the control of the Appropriations Committee, but it does allow both the authorizing committee and the Appropriations Committee an opportunity to see the total amount of money that is being expended for various District projects.

Mr. Chairman, as chairman of the Subcommittee on Business, Commerce, and Fiscal Affairs of the Committee on the District of Columbia, I was privileged to conduct hearings on the revenue proposals of the District of Columbia, and I should like to point out that our subcommittee held over a dozen hearings on said proposals during the months of June and July; and thereafter held over six executive sessions in an attempt to thrash out and agree upon proposals to assist the District of Columbia insofar as humanly possible and at the same time do justice to the millions of taxpayers all over the United States for carrying such a huge part of the tax revenue requirements of the District of Columbia.

Our committee has long felt that it has a dual obligation. It has an obligation to the people of the District of Columbia to provide them with the necessary facilities, the necessary programs, to keep them on a par with any similar community in the United States or elsewhere. It also has an obligation to the general public, that is the American public, to maintain this, their Nation's Capital, in the finest possible posture. We have an obligation to those people also, both of the District and the Nation at large to see that their costs are held at the most efficient level consistent with the services rendered and required that is possible.

Likewise, it is also necessary that the Congress protect tax moneys provided through the terrifically large Federal contributions for these various programs. Our committee feels and I am sure most Members will agree that we have a right to see to the judicial spending of our tax dollars.

PRESENT SITUATION

The District of Columbia government is in a fiscal hiatus of its own making and in such dire financial straits that it has in effect asked the Congress to bail it out.

In the words of one top District official, "The District faces a desperate fiscal crisis" and in the words of the District Commissioner:

Our tax base is not sufficient to support our needs. Even to meet our mandatory costs alone, would require more revenue than the District currently can produce from present sources and existing rates.

Two years ago, before our committee requesting additional revenue for its 1970 budget of $712.3 million, the Commissioner testified: "We are at the bottom of the barrel."

The situation has not changed, insofar as the District Government is concerned, and it is not only at the bottom of the barrel, but it is trapped at the bottom because by reason of its gargantuan appetites for devouring funds, its girth has expanded to such a size it cannot extricate itself from the barrel, much less stand on its own feet, or much less pull itself up by its own bootstraps.

The District is like the reaper cutting his harvest, who garners in not only the grain, but every straw and weed in sight, and when the same are threshed he ends with more chaff than he does wheat; and while he has expended considerable efforts and money in sowing and cultivating, the crop harvested is completely inadequate to meet his payroll needs, and he finds himself in debt.

How has this fiscal hiatus come about? The only explanation is that there has been lacking that prerequisite financial responsibility and that willingness on the part of the local residents in the District of Columbia to carry their full share of the tax burden to support the programs, facilities, benefits, wage scales, and cultural advantages existing in Washington, not enjoyed in the surrounding area, nor in any other cities in the Nation.

REAL PROPERTY TAX

Our committee has been much disturbed over the schism between the District Commissioner and the City Council over the setting of the tax rate on real property in the District of Columbia. As has been pointed out, the District Commissioner prepared his budget and his revenue requests of the Congress upon the assumption, among others, that there would be imposed a 30-cent increase in the real property tax rate, to provide $11.7 million additional revenue to the District, out of the $91.8 million allegedly required for fiscal 1972.

It is within the experience and knowledge of many members of our committee that the real property taxes in the various States are much higher than those in the District of Columbia, and it was the considered judgment of your committee that the District of Columbia real property taxes should be increased and that the 30-cent increase requested by the Commissioner was reasonable and appropriate under the circumstances.

The District of Columbia City Council has authority under delegation by the Congress in 1922 to the District Commissioners—and by the Reorganization Act to the Council—to determine the rate of taxes necessary to pay the District's share of the cost of local government. The delegation of taxing authority by the Congress in 1922 (D.C. Code Title 47, sec. 501) is stated in the Act of June 29, 1922, as for the purpose of producing "a tax at such rate as will, when added to the other taxes and revenues of the District, produce enough money to enable the District to pay promptly and in full all sums directed by the Congress to be paid by the District, and for which appropriation has been made."

With this authority, the Congress gave the District Government substantial flexibility so that it could present budget requests which would balance against its anticipated revenues and permit adjustment of the tax rates by the District government on real and personal property.

Our committee continues to be much disturbed over the prevalent practice of the District Government in submitting unbalanced budgets, not submitting them until April, later than was the practice prior to the reorganization of the District government, and attempting to put the onus on the Congress and the committees charged with District matters for failure in the very brief time elapsing before the end of the fiscal year to approve the next year's budget and any additional revenues necessary to balance the same, or wield the axe to achieve a balanced budget.

The District of Columbia itself refuses to increase even its own taxes toward meeting the common need for additional expenditures it claims are justified. While the District of Columbia Commissioner recommended an increase of 30 cents, namely, from $3.40 per $100 of assessed valuation, the District of Columbia City Council refused to approve the same and only approved an increase of 10 cents per $100, or to $3.20 per $100. So that although the District Commissioner was depending upon his recommendations being adopted, to provide a total $11.7 million toward the $90.3 million claimed need, the District government through the Council has only provided a 10-cent increase, to yield an estimated $3.8 million.

Neither the Council nor the Commissioner proposed any other tax to make up the deficit of $8 million. The Council's only action is to provide a 3.2-percent increase in the real estate tax, as against the 10-percent increase requested by the Commissioner, a modest increase particularly since the District's effective tax rate is lower than that in both Maryland counties adjoining the District; and lower than that for the cities of Alexandria and Fairfax in Virginia.

Following is a tabulation showing the effective real property taxes in the District of Columbia as compared with the surrounding jurisdictions.

It will be noted therein that both the adjacent Maryland counties have a considerable higher effective tax rate than does the city of Washington.

Also the city of Alexandria and Fairfax City in Virginia have a higher effective rate, whereas the adjacent Virginia counties have rates that are lower than that in the District of Columbia.

It is the judgment of our committee therefore that any increase such as that requested of the Council by the District Commissioner, namely, a 30-cent increase which is only a 10-percent increase, is reasonable and therefore recommended by our committee as appropriate action to be taken by the city council.

Effective real property taxes (1971)

	Per $100
District of Columbia	[1] $1.68
Prince George's County (Md.)	2.22
Montgomery County (Md.)	1.98
Alexandria (Va.)	1.75
Fairfax County (Va.)	1.45
Fairfax City (Va.)	1.75
Falls Church (Va.)	1.44
Arlington County (Va.)	1.37

[1] Effective rate for 1972 will be $1.73⅓ due to the City Council's 10 cent increase (from $3.10 to $3.20) on the actual tax rate—compared with $5.52 actual rate in nearby Baltimore (to go up $5.83 in 1972).

Source: D.C. Government, Dept. of Finance and Revenue, July, 1971.

Our committee feels strongly that the council is not meeting its obligations, and it is the sense of our committee that the council levy such property tax rates at levels to produce the District's share of additional revenues allegedly necessary to maintain the District's operation.

In the District of Columbia Revenue Act of 1969, our committee included a provision, which was approved by the House, withdrawing the delegation of taxing authority to the council and restoring this power to the Congress. Your committee did not go that far in this measure, but if the council fails to carry out its responsibilities in this regard our committee will have no choice but to recommend to the Congress that it resume its taxing authority on local real property to help meet the District's budget.

The CHAIRMAN. The gentleman has consumed 10 minutes.

Mr. CABELL. Mr. Chairman, I yield myself an additional 5 minutes.

Section 704 is to assure public assistance given in the nature of rent allowances received by recipients for public funds shall be payable as rent and not be retained by the individual for his own purposes or withheld from the landlord or lessor by action of the tenant alone.

May I make clear to this committee that the moneys are not arbitrarily or automatically turned over to the landlord. It means they will be put in escrow. If the withholding is legal because of noncompliance with landlord contracts then that money would be retained. There have been so many instances over the past several years where literally hundreds of thousands of dollars have been withheld—a great amount of it from the public housing units—where the money was spent, and then HUD had to turn around and appropriate more money to pay the service charges of this public housing.

The recipient of such public assistance must continue to maintain his eligibility, and provision is made under the Commissioner's direction for the withholding and retention of such funds if there is any dispute because of alleged violations of housing codes and so forth.

Section 705 requires all persons who are recipients of the public assistance under welfare or social services programs to carry positive identification cards containing photograph, social security number, and other identifying information, as is required in other jurisdictions, and which is being put into effect here already. If Members will read our report, they will notice we put a great deal of emphasis on a better policing effort on the nearly 100,000 recipients of welfare in this District, to see that fraud is prevented or, if fraud is there, fraud is detected and acted upon accordingly.

Section 706 provides that there shall be a freeze on the level of employment in the District of Columbia Government at 39,613 jobs.

Section 707 provides that interstate motor carriers, subject to regulations of the DOT should not be subjected to the Wage and Hour provisions of the District of Columbia law.

Thus enabling the 31 local carriers—of more than 250 carriers in the metropolitan area—to compete with these other carriers in contracting for and carrying out their business although based in the District of Columbia.

Section 708 provides for the construction of buildings on the Providence Hospital site, of a commercial nature, such as would be allowable under the zoning classification C–4, and not limited to residential construction only.

Section 709 permits use by the Commission on the Organization of the District of Columbia Government to use employees of the District of Columbia and Federal governments and also to provide for printing the Commission's report when filed March 22, 1972.

Section 710 imposes an advertising tax on all forms of commercial advertising at a rate of 4 percent, estimated to produce $2 million per year.

Real property tax, while the committee itself did not resume authority to levy the real estate tax—presently invested in the City Council—the committee expressed grave concern over the failure of the District of Columbia Council to increase the tax by 30 cents—namely, from $3.10 to $3.40 per $100 of the assessed value—as requested by the District of Columbia Commissioner and intended to provide $11.7 million in additional revenue.

The Commission had only increased the tax by 10 cents, or to $3.20, to yield an estimated $3.8 million.

The committee expressed the sense of the committee that the entire increase should be effected in order that the District may help to carry its fair share of the tax burden in revenue required for the District.

Gentlemen, I believe I have tried to provide Members with as brief but as accurate a résumé of the contents of this bill as possible.

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

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

Mr. GROSS. I thank the gentleman for yielding. Can the gentleman amplify to some extent the necessity for increasing the handout on the part of all the taxpayers of the country to the District of Columbia to the tune of $44 million, in other words from $126 million to $170 million?

Mr. CABELL. I will say to the gentleman from Iowa I find myself in the position of not agreeing with certain provisions of the bill—I feel constrained, as floor leader to sustain the position of the committee,

Mr. GROSS. I hope I never arrive at that state of affairs on any committee on which I serve, but I guess we all operate differently. However, the gentleman has my sympathy in that respect if he cares to accept it.

Mr. CABELL. I think you will find that the position of the gentleman in the well is very clearly stated in the record and in the statements in the hearings.

Mr. GROSS. Now, with respect to this title V, I am not sure I understand what is proposed to be done. This is another $34 million increase, beginning on page 6 of the bill. I have read page 7 of the bill, and I do not know what is proposed to be done under this title and these various sections. Can the gentleman amplify briefly what is proposed?

Mr. CABELL. Yes. This is to take care of the highly essential expansion of facilities for sewage disposal. It takes care of completing the Dulles interceptor line, and by virtue of service fees collected it will be self-liquidating.

Mr. GROSS. You hope.

Mr. CABELL. But the District is handling the sewage and a great deal of the water resources for the area, including particular States and counties. They are charged a user fee, which is estimated to be set at an amount sufficient to amortize the cost of that portion of those facilities required for the neighboring communities.

Mr. GROSS. Does the gentleman say that it is in the realm of cold, hard fact that this money will be paid back, or does he just hope that it will be paid back?

Mr. CABELL. I find it difficult to answer that question.

Mr. GROSS. I thank the gentleman for yielding.

Mr. HOLIFIELD. Will the gentleman yield for a question?

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

The CHAIRMAN. The time of the gentleman has expired.

Mr. CABELL. Mr. Chairman, I yield myself 1 additional minute.

Mr. HOLIFIELD. On page 15 there is section 708 in the bill which is a matter of controversy and it was a matter of controversy 2 years ago. It was withdrawn 2 years ago. Would the gentleman tell me what the disposition of the committee is with regard to this section?

Mr. CABELL. Is that Providence?

Mr. HOLIFIELD. Yes, it is.

Mr. CABELL. Would the gentleman permit me to yield to the distinguished chairman of the committee who has a statement which I think he wishes to make on this subject.

Mr. McMILLAN. I would like to state that I have a committee amendment prepared to take this portion out of the bill.

Mr. HOLIFIELD. I thank the gentleman.

Mr. NELSEN. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia (Mr. BROYHILL).

Mr. BROYHILL of Virginia. Mr. Chairman, I wish to voice my support for the bill H.R. 13411, as amended and reported by the Committee on the District of Columbia, which is designed to

afford additional revenues for the District of Columbia and a number of other purposes. In its present form, this is a good bill and deserves the support of this body.

The provisions of H.R. 13411 which will produce additional revenues for the Nation's Capital, and the estimated amounts of these increased yields, are as follows:

Estimated yield per full fiscal year

Item	*In millions*
Increase authorization for the annual Federal payment from $126 million to $170 million	$44.0
4 percent sales and use tax on all commercial advertising	2.0
Increase gasoline tax from 7 cents to 8 cents per gallon	1.5
Increase corporate franchise tax from 6 to 7 percent	3.0
Increase inheritance tax rate	2.8
Recommended increase in real property tax rate by 20 cents per hundred dollars of assessed value.[1]	7.6
Total	60.9

[1] This increase is contingent upon action by the D.C. City Council. It has been recommended also by the D.C. Commissioner.

I realize that certain of these increases, such as the recommended increase in the real property tax rate and the increase in inheritance taxes, cannot produce any new revenues during the present fiscal year. Also, other items cannot produce more than a partial yield for this fiscal year. However, there is certainly an increase of at least $46 million for the present fiscal year available from these items.

In the District of Columbia budget request as submitted to the Congress for fiscal year 1972, the total amount requested for operating expenses was $719.2 million, or an increase in operating funds alone over the preceding fiscal year of some $83 million. In testimony at our hearings on District of Columbia revenue needs for fiscal year 1972, conducted last June, the Commissioner of the District of Columbia advised us that his recommendation for additional needed revenues was $90.3 million. In August, however, we were advised by the District of Columbia Budget Office that after completing a comprehensive reexamination of the budget they had concluded that if the District of Columbia commitments for fiscal year 1972 were to be substantially realized, they would need $72 million of additional revenue. At the same time, they advised us further that the amont which they would need to "meet mandatory and uncontrollable costs" would be $61 million.

Quite recently we were sent a list detailing the mandatory increase requirements for fiscal year 1972, and this latest and most up-to-date estimate of needed additional revenues was $60 million. While the increased revenues which may be expected to accrue during this fiscal year from the enactment of H.R. 11341, listed above, will fall some $14 million short of this latest estimate of needed additional funds, I feel that this represents a rational and appropriate amount at this time. In the first place, I believe that some further curtailments may well be found possible in this estimated need for $60 million. For example, I do not believe that this estimate takes into account the provisions of section 706 of the bill, which will limit the number of authorized permanent full-time positions which may be filled in the District government during this fiscal year to 39,619. This, I am informed, will achieve a reduction of at least 500 such positions, and a consequent very considerable saving. In addition, I believe that other savings may be feasible. Furthermore, from my years of experience in this area of legislation, I am convinced that the provisions presently in this bill will not constitute the final form of the legislation when it is enacted into law, and that the final amount of the additional revenues will be appreciably higher as a result of Senate action and House-Senate conference on the bill. For these reasons, I am confident that the District government will receive sufficient revenues to meet their obligations for the present fiscal year, even though the full amount necessary does not appear to be provided by the bill presently under consideration.

I wish to state unequivocally that I and my colleagues on the District of Columbia Committee are fully cognizant of the responsibility of the Congress to assure adequate financing for the District of Columbia government. This city cannot be financially self-sufficient. It is the Federal City, and belongs to every citizen of the United States; and for this reason, it is the obligation of all American citizens to provide, through the Federal payment to the District, all the funds the city needs, over and above the revenues which its own citizens are reasonably able to contribute, to maintain the standard of government and services properly commensurate with its status as our Nation's Capital.

I fully appreciate the fact that to a very large degree, the unprecedented increases in the District's budgets over the past several years actually reflect the national trends in this respect. The specter of inflation haunts this entire Nation, as the value of the dollar has continued to decline. And in all our large cities, the problem of drug abuse has spawned a terrible increase in street crime, which in turn has triggered a multitude of social evils. In their efforts to combat these problems, every city has had to spend ever-increasing sums of money. The District of Columbia, in the past 5 years, has added some 2,000 police officers to its force—with the result that the incidence of crime in the city has begun to decrease. In addition, a highly effective narcotics treatment program has been developed, with the result that some 3,000 persons are presently receiving treatment in various forms. And the expanded court system, which was made possible by the crime bill which we enacted into law in the last Congress, is now beginning to exert a beneficial effect on the crime problem in the city. All these factors are contributing to a very real degree to a breakthrough in reducing crime in the Nation's Capital. In addition, there is no doubt that other needs and problems exist—in health, institutional services, recreation and culture, community and economic development, physical facilities, and ecological programs. We in the Congress are aware of these needs, and stand ready to provide what is necessary in the way of funds to serve them.

At the same time, however, I must state that the District of Columbia also has a responsibility, to exert every feasible economy in the operation of its government and to forgo or defer those programs which, while they may be highly desirable, are of lesser immediate importance than other more essential items of expense. Again, the District of Columbia is not unique in this respect either. The fact is that the taxpayers in this entire Nation are rapidly reaching a limit in their ability to support further increases in their tax burden. For this very grim reason, the necessity for austerity in funding new programs in the governments of every county, city, and State in this entire Nation has become absolutely essential.

The District of Columbia government has a responsibility also to produce all possible and reasonable revenue from its own citizens. Actually, I believe that this has virtually been achieved, except for one item of local taxation, and this is the tax on real property. For the past 2 years, the District of Columbia Commissioner, who recognizes this responsibility, has requested the District of Columbia City Council to increase the tax rate on real property by 30 cents per hundred dollars of assessed value. However, the Council has refused to take this step, although they did reluctantly grant a 10-cent increase this year. I sincerely hope the Council will respond to the recommendation in H.R. 11341, and act to increase this tax rate by an additional 20 cents, as the Commissioner has requested. This increase will result in an effective tax rate in the city which will not exceed the average such rate in the metropolitan area, and I feel that the property owners in the District should assume this degree of fiscal burden of the city.

Within the framework of these mutual responsibilities as I have outlined them, I feel that we in the Congress can assure the District of Columbia of adequate financing, now and in the future, for the proper operation of its government.

I wish particularly to express my support for the provisions of title V of this bill, which will increase the maximum limit for borrowing for two special funds—the D.C. sanitary sewage works fund and the metropolitan area sanitary sewage works fund. The former will be increased from $72 million to $106 million, and the latter from $25 million to $35.5 million. Both of these increases in loan authorizations will be for the purpose of increasing the capacity of the D.C. treatment facility at Blue Plains, and also the ability of that plant to achieve higher degrees of purity in its operation. I have taken a strong interest in the problem of pollution of the Potomac River, and was the author of the provision in the D.C. Revenue Act of 1970, which required the Environmental Protection Agency to study this problem from the standpoint of relief for the entire metropolitan area, and to report its findings and recommendations to the

Congress. This study was completed and the report filed; and further legislative action will undoubtedly be forthcoming. Regardless of this action, however, the Blue Plains treatment plant is the heart of the sewage treatment program for the area, as it handles effluent from considerable parts of nearby Virginia and Maryland as well as the District of Columbia. Its facilities are now badly overtaxed, and it is presently treating about 265 million gallons per day, to about 70 percent purity. The plan is to increase the capacity to the maximum of 309 million gallons per day, at 96 percent waste removal. The loan authorizations in this bill will provide the District's share of the cost of this essential project, and the cost of these loans, both principal and interest, will be paid from the fees charged to the users of this sewage system. Thus, there will be no additional burden on the taxpayers as a result.

Another provision of H.R. 11341, which will be removed from the bill by committee amendment, and on which hearing will be held in the future, was designed to correct an inequity of long standing with regard to the site of the old Providence Hospital, located between D and E Streets and Second and Third Streets, Southeast. For a period of some 80 years, a Catholic order of nuns known as the Daughters of Charity operated the Providence Hospital on this square. When they acquired property elsewhere in the city and built the new Providence Hospital, the old buildings were leased to the General Services Administration.

In 1962, a group of private investors known as the Providence Associates of Washington, D.C., purchased this property, with the intention of continuing to lease the buildings to the Federal Government. Soon thereafter, however, the Government canceled their lease. Then the buildings fell into disrepair, condemnation proceedings were brought by the District of Columbia government, and in 1965 the structures were razed. Since that time, the site has stood empty.

This land is situated only two blocks distant from the present east boundary of the U.S. Capitol, and thus is within the territorial jurisdiction of the House Office Building Commission. At the time the property was purchased by the present owners, there was interest on the part of the House Office Building Commission to acquire this site as a part of the Capitol Grounds, possibly as the location for a Capitol Police Academy or for other future needs; and this interest continued for some years, until very recently.

When the present owners of this site were faced with the prospect of not being able to realize any revenue whatever from the property, they were obliged to seek some means of protecting their investment. They were impressed with surveys which indicated a real need for modern apartment facilities, with offstreet parking and adequate shopping area, in the Capitol Hill area. Hence, they applied to the District of Columbia Zoning Commission for a rezoning which would make such an enterprise possible. This application was rejected, however, largely because of the influence of the Architect of the Capitol, who is also a member of the Zoning Commission.

As a matter of fact, the Architect of the Capitol consistently opposed any rezoning or other efforts which would make it possible for private investors to make any practical use of this property. His position in this matter was perfectly proper, of course, as he was protecting the interest of the Congress in acquiring this site for use in connection with the U.S. Capitol. And I wish to emphasize the fact that the owners of the property were perfectly willing to sell the land to the Capitol. This situation came to a climax, however, in October of 1968, when the House Office Building Commission approved the acquisition of this property and directed the Architect of the Capitol to request the funds for this purpose in his regular budget estimate for fiscal year 1970. Unfortunately, however, the funds were denied.

Thus, the Providence Associates, through no fault of their own, were obliged to continue to pay taxes on this valuable property and yet were denied any opportunity whatever to realize any income from it—simply because the Congress wanted to acquire ownership of the land, and yet would not approve its purchase in appropriation legislation.

I felt strongly that this situation should not be allowed to continue, and was the author of a provision in a bill in the 91st Congress which would simply have forbidden the acquisition of square 764 by the Congress. This bill was considered in the House on May 11, 1970, and on that occasion the Speaker of the House took the floor and asked that this provision be deleted from the bill, stating that he hoped the Committee on Appropriations would approve the next request for funds for this purchase, and that he would instigate a renewal of such a request at an early date. In deference to the Speaker, we acceded to this request.

As a result of the Speaker's interest, the House Office Building Commission did take action again on September 14, 1970, and ask for this item in a forthcoming supplemental appropriation bill. Again, however, the Committee on Appropriations refused to allow the item.

In a subsequent action, the House Office Building Commission has directed the Architect of the Capitol to take no further action on the matter of purchase of this property. At last, thereafter, the issue has been resolved, and it is now definitely established that the Capitol will not acquire this site.

In light of these developments, the time has come to extend some measure of equity to these frustrated property owners. The language in section 708 of this bill would do exactly that, by providing that buildings may be constructed on square 764 which may be used for any purpose allowable under zoning classification C–4—with the very important restrictions that no such building may be more than 90 feet in height and that the plans and specifications for any building be subject to the approval of the Architect of the Capitol.

This would be in no way an arbitrary use of the power of Congress, nor a derogation of any authority of the D.C. Zoning Commission. It is true that the Zoning Commission could consider an application for zoning classification C–4 for this property. In granting such an application, however, the Zoning Commission could not impose the special restrictions provided in this bill—and both are essential for the protection of the interests of the Congress to assure the fact that no buildings may ever be constructed on square 764 which will be esthetically incompatible with the Capitol Buildings.

The commercial use of buildings on this site is amply justified, of course, by reason of the fact that the three former buildings located there were in nonresidential use for at least a century. As I have pointed out, however, this proper usage can be granted, together with adequate special conditions for the protection of the Capitol Hill area, only by action of the Congress. I am confident that our future hearings on this subject will serve to remove the confusion and misunderstanding which presently prevail on this matter.

I wish also to express my support for section 707 of H.R. 11341, which will exclude employees of motor carrier companies in the District of Columbia who engage in interstate operation and thus come under the regulations of the U.S. Department of Transportation, from the provisions of the D.C. Minimum Wage Act as far as overtime hours are concerned. The Fair Labor Standards Act provides, on a realistic and practical basis, regulation of hours for such interstate carrier employees—and this includes only drivers, drivers' helpers, loaders, and mechanics in such operations—and these regulations apply to such employees of all motor carrier companies in the United States, except those located in the District of Columbia. Through an erroneous interpretation of certain provisions in a bill amending the D.C. Minimum Wage Act in 1966, an interpretation which was never the intention of the Congress, the D.C. Minimum Wage Board has decided that these employees must be entitled to overtime pay for work in excess of 40 hours in any work week. This has caused an unfair hardship for the local trucking companies engaged in interstate operation, of course, because their competitors elsewhere are controlled only by the Fair Labor Standards Act and do not face the burden of this additional pay for their employees.

We attempted to correct this inequity in our D.C. Revenue Act of 1970, but as a result of some misunderstanding in conference with the Senate, language was agreed upon which in no way solves this problem.

It is my opinion that taxpaying businesses are leaving the District in all too great a number, for a number of reasons, and that it behooves us in the Congress to remove this further stimulus to such defections, for the benefit of the city.

There are a number of minor provisions in the bill, all of which will be beneficial. These include a ban on dual compensation for employees of the District of Columbia government; a requirement that the expenditure of all funds,

including private grants and those obtained from the Federal Government as well, must be included in the District of Columbia budget each year and approved by the Congress; a stipulation that rent subsidy payments to persons on public assistance in the District may be withheld for proper payment if the recipient fails to pay his rent; and a provision that recipients of public assistance in the city be provided with identification cards.

Mr. Chairman, we on the District of Columbia Committee have worked long and hard on this proposed legislation, which is a compromise of conflicting points of view among our members. It is a highly constructive bill, and I urge its favorable consideration at this time.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield to me on one point?

Mr. BROYHILL of Virginia. I would be glad to yield to the gentleman from Mississippi.

Mr. ABERNETHY. The gentleman goes to some length and says that the Congress is responsible for a considerable amount of the increase in the cost of the local government. He overlooks the fact that the District government comes here seeking these increases in salaries and so on. Now, would the gentleman agree with me that the revenues, the source of revenues—the possibility of obtaining revenues in the District of Columbia is not adequate for it to keep pace salary-wise for its employees with the employees of the Federal Government? Does the gentleman agree with me on that?

Mr. BROYHILL of Virginia. I do not understand the gentleman's question.

Mr. ABERNETHY. Does not the gentleman agree that the District government is just not capable of paying salaries to its employees comparable to those paid by the Federal Government?

Mr. BROYHILL of Virginia. No, they are required by law to do so.

Mr. ABERNETHY. No. They come to the Hill and say, "We have to keep pace for the District government," but, actually, they do not have the revenue with which to keep pace.

Mr. BROYHILL of Virginia. May I say to the gentleman that we have provided by law the increases for the District of Columbia employees. About 90 percent of these increases are automatic, when we increase the salaries of Federal Government employees.

Mr. ABERNETHY. Mr. Chairman, if the gentleman will yield further, does the gentleman think we should do that when the people who pay the taxes here are not able to pay that kind of tax?

Mr. BROYHILL of Virginia. I think we have to pay the employees of the District government salaries comparable to those received by employees of the Federal Government and of private enterprise.

Mr. ABERNETHY. Does the gentleman feel that the salaries of employees throughout the Nation should be comparable to those paid by the Federal Government?

Mr. BROYHILL of Virginia. May I say to the gentleman from Mississippi, my time is running out. We can discuss this matter further under the 5-minute rule.

Mr. Chairman, I say this is a good bill. It is a compromise bill.

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

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

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

Mr. BROYHILL of Virginia. I yield to the gentleman.

Mr. ABERNETHY. As I understand it, this is called a District revenue bill. This bill raises—how much money—about $50 million; does it not?

Mr. BROYHILL of Virginia. It raises actually $53.3 million and recommends other revenues which can be raised by action of the D.C. Council.

Mr. ABERNETHY. That includes taxes on advertising too; does it not?

Mr. BROYHILL of Virginia. That is correct—$2 million is the estimated annual yield from that proposed tax, and the newspapers here want this provision taken out of the bill.

Mr. ABERNETHY. There will be an effort made to take that out and it will probably prevail which will leave $51 million that will be in the revenue bill. Now of that $51 million, $44 million of it will come out of the taxpayers of the 50 States; is that not true?

Mr. BROYHILL of Virginia. That is correct.

Mr. ABERNETHY. In other words, we are getting $7 million out of the District and $44 million will come out of the rest of the taxpayers of the United States—yet, they call this a District tax bill.

Mr. BROYHILL of Virginia. I think you can put this another way. We are faced with a D.C. budget of approximately $700 million. The Federal Government owns approximately half of the land here in this city—this is the Nation's Capital, and we propose that the Federal Government pay $170 million, and the people of the District of Columbia are paying the rest.

Mr. ABERNETHY. I am reliably informed that if taxes were paid by the Federal Government on every piece of property it owns in the District assessed at the same value or at the same percentage as they assess private property, the Federal taxes would only be $106 million and not $170 million.

I offered a proposal in committee for the Government to make that kind of arrangement and the gentleman voted to table it.

Mr. BROYHILL of Virginia. There is no way that you can practically or properly arrive at an assessed tax value of this building, the Rayburn Building, or any of the other monumental shrines here in the Nation's Capital.

Furthermore, it makes no difference what the assessed value or the alleged assessed value may be. If we do not make Federal payments sufficient to support this city, and a deficit budget results, we are going to have to raise the difference in some way.

Mr. NELSEN. Mr. Chairman, I yield such time as he may require to the gentleman from Connecticut (Mr. McKINNEY).

Mr. McKINNEY. Mr. Chairman, I would just like to add to the gentleman's comments when he was talking about the assessed value of the real estate. If the Government real estate were assessed and taxed in this city, we would pay well over $130 million. I think the Members should keep it clearly in their minds that the Government's real estate does not contribute any other form of taxes to this city. It does not contribute corporate taxes or any type of business or real estate tax which business does contribute.

Yet, we take a massive land area and this Congress, in this wisdom, has limited the height of buildings in this city so that the city cannot get the maximum use of the real estate in the downtown business area that most cities would get. All of these things added together, even more increase the lack of revenue that comes into the city because of the Federal Government being here.

Mr. NELSEN. Mr. Chairman, I have just returned from the District Committee. We had a bill there for improving the hospital facilities of the District of Columbia. This runs into many millions of dollars.

But I notice there are 20 sponsors on the bill already to support that expenditure. I think this has been a process that we have sort of followed a little bit, not taking into account that when the revenue bill comes along that you add costs here and there to the District's operation—authorizations for many programs—and then we complain about the fact that the District cannot always meet the costs of the many programs Congress votes for them.

I might point out further I would like to have you keep in mind that we are really dealing with an authorization. Individual items will be reviewed line-by-line by the Appropriations Committee. I am sure Mr. NATCHER's committee will do a fine job of examining each item, and if there is any item in the bill that needs further examination, I am sure Mr. NATCHER will give it the close examination required. But I might point out that if you read the report accompanying the bill, especially my supplemental views, you will find that the proposed tax increases that were offered by the committee—gasoline tax, inheritance tax, sales tax, real property tax, increased Federal payment, reciprocal income tax—those items, had they passed—and they were recommended by the chairman of the subcommittee—this would have totaled $50 million—not $44 million, but $50 million. So I presume there is recognition by virtue of this of the total budget needs of the District of Columbia.

However, may I say that never has our committee under any leadership done a better job of holding hearings than has Mr. CABELL carefully done relative to the revenue bill. So I want to say I compliment him highly for what he has done, and I think he has put in long and arduous hours. Our relations have been very good and very friendly dealing with this whole proposal. We may criticize, and usually we wind up in the committee with somebody complaining about the cost, that it is too high, and I have asked the question: "What do you do about it?" Usually, mostly nothing, except criticize.

My contribution, a constructive one I think, is the Little Hoover Commission. The name has now been changed to "the

Nelsen Commission," and I hope we can do a good job. We are sitting in a meeting this afternoon in public hearings and I am sorry I cannot be there for those hearings. We are examining the operation of the city government in every detail, hopefully to bring about some reorganization that will move in the direction of greater economy.

We have had some criticism of the Commission, I understand, that we have been sitting behind closed doors in our monthly meetings. You may ask the question, Why? So do I because as we go along and find critical items, it is not my purpose, nor is it the purpose of other members of the Commission I believe, to embarrass the Mayor in any way, but merely to do a careful study so that finally we can come up with a recommendation, not with the idea of grabbing headlines each day as we go along, but with the idea of coming up with something that will result in a good job.

I am going in some detail to point out where the costs have gone up so terrifically for the District. For example, I remember when we considered in the committee need for additional policemen: One thousand policemen for President Johnson at an annual cost of $9,800,000, and another 1,000 policemen, under President Nixon's crime program which costs $9.8 million a year.

The court reorganization—everybody knows that we needed that change in that area, and I joined with other members of the committee to effect this. May I say one of the greatest champions and most effective men on this floor in bringing about this necessary legislation was my colleague, Mr. ABERNETHY. You will recall the job he did, the great job on court reorganization, and the reports we get show that court is doing better, the backlog has been cut. But that bill cost us $13 million annually.

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

Mr. NELSEN. I am happy to yield to the gentleman from Mississippi.

Mr. ABERNETHY. The gentleman has overlooked the fact that we had a tax bill here last year that increased the Federal payment, and also increased income taxes and other taxes, which more than took care of the very thing, the gentleman is now talking about. Is that not correct?

Mr. NELSEN. I thank the gentleman. But may I point out, as we go down this list, when the request came in for money from the District, we saw that they asked for, I think it was, a $90 million increase. I said, "Forget it, as far as I am concerned, because I have seen budgets back home. I have seen budgets down here. Usually you can show to the agency that there is a little padding in there with the idea that it will be cut." I said, "Forget it." I am proceeding on a minimum need standard.

What did we get a year ago? What was the figure that the Natcher committtee approved for the District; it was $126 million. So the items that have been added as annualized increases are $38 million. We in the Congress of the United States are responsible by acts of the Congress of the United States for $38 million in District increases. We in Congress have approved in effect within-grade increases of $6.1 million for the District employees. Annualization of pay increases of $6.3 million have been provided for District employees in our pay acts. Two extra days because of leap year coming up—think of this—$1,800,000 additional costs, because of those 2 extra days. And our pay acts provide for this pay and while the District has absorbed some of these costs, as have other Federal agencies, they cannot absorb it all.

We go down the line, through the court reorganization, drug treatment centers, and so on, and all of it adds up to $38 million, plus items of police and others, which total $44 million.

I went down and talked to the chairman of the committee, Mr. MCMILLAN, and said, "Here is what I come up with, $44 million, and I have not found anybody that has broken down or discredited it, and found those figures to be out of line." We talked about it. The gentleman from South Carolina (Mr. MCMILLAN) offered the amendment for the $170 million in committee. I know he feels as I feel, that the total cost of running this city government is too high. I know everyone in this room would feel that something ought to be done about it, but I want to say in defense of my own position that at least I am trying to do something about it with the efficiency commission we have formed.

In the report it says the District government has not come up with any recommendations on how to raise more money. They have come up with some recommendations, but the Congress has turned them down. This is not a city with industry or city with a tax base, such as many others may have. The Government of the United States is the industry of this District and we must recognize this.

I would say that in many areas the costs are way out of line, but I hope when we get through with our Commission study that we may come up with some answers that can reduce costs.

May I say, it is a very uncomfortable position for me to be in—to push for an increase in payment—because I am basically conservative, and I feel there is nobody conservative who is not careful and who is not concerned with the costs of local government. But, I feel there is no other place to go with a budget of this size. It is not my intention, if I am on the conference committee, to budge on this figure. I think this figure will cover their needs. The figure of the Office of Budget and Management was higher than mine. I want to say the District government did review their budget with the Office of Budget and Management of the U.S. Government. Mine is lower than the Office of Management and Budget and the District's.

So this is my argument, as I see it. I sometimes wonder why any one of us should even take the punishment we often get for being on this committee, but if I am on a committee, whether it be this one or any other one, I intend to exercise my best judgment and be fair in dealing with the problems. I am being fair and I am exercising my best judgment.

I might point out in this bill there are items I did not support, and one of them has traditionally been in the area of advertising.

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

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

Mr. ROUSSELOT. Mr. Chairman, on the point of the proposed advertising tax, does the gentleman really feel that is justified?

Mr. NELSEN. I think the gentleman will find in the RECORD a paper that will be submitted by the gentleman from Ohio, Congressman HARSHA, in which he takes the view, and I support it, that it would be an unproductive thing as far as the District of Columbia certainly, because we need always to have in mind what Maryland is doing and what Virginia is doing as respects taxes. Too often we overlook that. As a result we chase industry out of the District of Columbia, and their tax base gradually is reduced by our actions.

Mr. ROUSSELOT. In other words, they would just move across the various lines?

Mr. NELSEN. That is my feeling, yes, or the business would go to the suburbs.

Mr. ROUSSELOT. Will the gentleman yield on a further point? I suppose this is an oversimplification, but the gentleman asked the question, what do we do about the tremendous increase in the cost of this government? Other local governments, when they face this problem, usually are forced to reduce expenditures. Has considered reducing expenditures?

Mr. NELSEN. I certainly hope it will be. This is what we are trying to do with the recommendations we are going to get from our commission and I also might point out that there has been some, action taken by the District, but perhaps not enough.

Mr. ROUSSELOT. Has there been any attempt by the local government to reduce present high expenditures like on other local governments?

Mr. NELSEN. There has been, yes.

Mr. ROUSSELOT. An attempt to systematically reduce expenditures?

Mr. NELSEN. To some degree.

Mr. ROUSSELOT. Have they been successful?

Mr. NELSEN. To some degree, but they have not gone as far as I think they may have gone.

Mr. ROUSSELOT. Maybe the gentleman in the well can put some examples in the RECORD. I thank the gentleman for yielding.

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

Mr. NELSEN. I yield to the gentleman from Maryland.

Mr. HOGAN. With respect to the comments made by the gentleman from California, I would like to say that the same concern which he has expressed here today was one which motivated the Congress to enact the Nelsen Commission bill, the so-called Little Hoover Commission which is more accurately called the Nelsen Commission.

The purpose of the act was to study the District of Columbia government comprehensively to see if there are ways economies can be effected. I do not know of anyone who would be more zealous in

that regard, or more capable in that function, than the gentleman from Minnesota (Mr. NELSEN) who is now in the well.

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

Mr. NELSEN. I yield to the gentleman from Kentucky.

Mr. SNYDER. Being in the real estate business, my fancy was sort of taken by section 701, which appears on page 48 of the report, and says that 143-plus acres of land in Prince Georges County is to be disposed of. Apparently this is authorizing the sale of this land at $4,000 an acre, for $572,600.

I just wonder if the committee took some testimony on this value?

Mr. NELSEN. I believe a response to the gentleman's question needs to be made by the chairman, because I am not familiar with the details. It is my understanding there is some need of some clarification relative to the local community having a first choice, which I certainly would agree they should have. I am sure the gentleman from Maryland (Mr. HOGAN) will take care of the problems in his district.

Mr. SNYDER. I understand the gentleman has an amendment to offer to the bill, for this land to be offered to Prince Georges County. Even if it is offered to Prince Georges County, I would want them to pay the fair value.

The report indicates that the value of $572,600 is in excess of $2 million less than the valuation figure attached to the property many years ago. Knowing property values generally around the Nation's Capital, $4,000 an acre for land does not seem like much money.

Mr. NELSEN. I might comment, that is what I am asking for land back home on the farm, I doubt it is that low.

Would the gentleman from Texas (Mr. CABELL) care to comment on that? Maybe it is $4,000 an acre?

Mr. CABELL. In order to conserve time, if the gentleman will withhold, I will try to clarify that under the 5-minute rule.

Mr. SNYDER. I thank the gentleman. I will be glad to do so.

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

Mr. NELSEN. I yield to the gentleman from Maryland.

Mr. HOGAN. With reference to the amendment alluded to, I do in fact intend to offer an amendment at the appropriate time, calling for an offer to sell the land to Prince Georges County before it is offered to the public. My amendment would require that this land first be offered to the Prince Georges County government, and only upon refusal of that county to purchase it, could it be offered to other would-be purchasers.

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

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

Mr. ROUSSELOT. How much land was taken off the tax rolls?

Mr. NELSEN. I do not believe I could answer that. The gentleman from Texas (Mr. CABELL) has more detail than I do.

I include the further remarks and insertions in the RECORD:

Section 709 of H.R. 11341 relates to the Commission on the Organization of the Government of the District of Columbia, also referred to as the Nelsen Commission, of which I am the Chairman. It amends Public Law 91-405, our enabling Act in two important respects:

(1) It clears up any ambiguity there may be about the fact that the report of this Congressional Commission will be printed as a Congressional document. As the author of the bill that was enacted into law as Public Law 91-405, certainly that was my intent, and I feel sure that was the intent of Congress. However, this clarifies the matter, I understand, for our planning purposes.

(2) It permits the Commission to obtain some experts in areas such as budgeting, management and systems analysis, etc. from other agencies on terms as agreed to between the Chairman of the Commission and the head of the agency or department. In other words, if another Federal agency has a person with some special expertise in an area that will help the Commission staff in conducting our study, this will permit that agency to detail their employee to our Commission on either a partial or non-reimburseable basis as agreed to by me and the head of that agency. Here again, we believed we had this authority, but the amendment clarifies the situation and makes it clear that such authority rests with the Commission.

With respect to section 710 of H.R. 11341, I voted against including this measure in the Bill in Full Committee and I will vote in favor of removing it now. It will, I believe, on balance not appreciably help the revenue picture of the District and may in fact hurt it. Radio stations located outside the District for instance could offer lower advertising rates to those who wish to reach the District consumers and listeners. We could thus drive business or businesses to the suburbs which is a flow I believe we are trying to stem if not stop.

I further extend my remarks with information provided me by the District government relevant to this debate:

Section 601 of H.R. 11341, as amended, provides for a Federal Payment of $170 million.

I supported this amendment in Full Committee and I would oppose any attempt to lower it.

The Federal Payment we set here today is nothing more nor less than a ceiling authorization. The D.C. Appropriation Subcommitte has already had hearings and will go through the District's budget in a more detailed way. I have confidence that my good friend Congressman Natcher will not reach the ceiling we set here today unless there is good reason for it.

For my part, I must believe the District officials when they say that anything less than $170 million will result in cuts in their base budget. That existing, rather than new programs, will have to be cut back. If they must be cut back, I for one would rather that that task be assumed by the D.C. Appropriations Subcommittee which is better prepared by reason of their extensive "line item" type hearings to make those judgments. On the other hand, I do not wish to force that Subcommittee to do so by recommending such a low Federal Payment that they have no choice but to cut or force non-selective cutbacks.

I want to say that my good friend and colleague, Congressman CABELL, the chairman of the District of Columbia Committee's Business, Commerce and Fiscal Affairs Subcommittee that held hearings on this revenue bill did a fine job. I believe the extent of effort and time spent in these hearings was as extensive as any held in recent years. He is to be commended for this fine job. Certainly, as the former mayor of a large city, he is conversant with many of the problems which exist in large urban areas, and his experience was of great value to the full committee in considering this bill.

However, we are here again on the floor this year as we were last year and the year before agonizing over the Federal payment. Is it too much, is it enough, is the District raising enough of its own revenue, is the District government efficient or not?

Now it is true that I have voted for and support the higher payment but, and this is a mighty big and important but, 2 years ago after we considered the 1969 revenue bill I decided that something further should be done for the District government as was done by former President Hoover for the Federal Government in the late 1940's and early 1950's.

The Evening Star newspaper in an editorial of November 10, 1971, which apparently followed our hearings closely considers that the $44 million dollar increase in Federal payment is a responsible act. But, like myself, they feel the city is long overdue an examination by an outside group like our Commission. The editorial follows for insertion in the RECORD in its principal parts:

The committee responsibly voted a $44-million increase in the payment, brightening the District's fiscal outlook considerably. In the absence of a big boost in the federal sharing of costs, the city could not hope to struggle through another year at even a minimum level of survival. . . .

But that is not to say that questions of local governmental efficiency should be, or can be, brushed aside. If the city is to look, as it must, to Capitol Hill for aid, its firm obligation is to trim every possible ounce of fat from its spending programs. Furthermore, a long-overdue outside probe of how that might be done is under way right now by the congressionally authorized Nelsen Commission. And it is a happy circumstance of timing that District citizens will have an opportunity to participate directly in the process this week.

The commission's first public hearings will begin at 2 p.m. tomorrow in Room 2125 of the Rayburn House Office Building, and continue through Friday. Chairman Ancher Nelsen advises a substantial turnout.

We join in that suggestion. Left to its own devices, the commission no doubt could produce some valuable proposals for organizational changes and administrative revampings. It is a rare opportunity, however, that is offered citizens to criticize or constructively suggest changes in their own government. For who should know better where the areas of waste and faulty operations are?

The commission's final report is due next March. If it should develop that this week's hearings produce no worthwhile ideas, there will be few grounds for public complaint about faults left uncovered.

Turning again to the important matter of the Federal payment, I have asked the District government to provide me with information relating to what the Congress has done by way of enactments to lay a funding requirement on the District government that annualizes itself each year.

The District's position is stated below:

The question raised was as to the extent of D.C. budget increases over the past five years which have resulted from legislative action by the Congress. In responding to this question, it should be stressed that most new programs or major new efforts of the District of Columbia must originate with enabling legislation enacted by the Congress, inasmuch as the Congress acts as the primary legislative body for the District. It is also important to note that new thrusts are not conceived of separately and apart from the desires and policies of the District government. The Congress, the Federal Government, and the District were all actively concerned and seeking legislative authority to modernize and expand the District's judicial system. The result is the enactment of the 1970 Court Reform and Criminal Procedures Act.

As a result of these relationships, legislative actions often have a pervasive budgetary impact and it is difficult to separate a specific impact from the ongoing program at a particular point in time and budget of the responsible District agency. In many cases, a new law may expand the responsibilities or workload of a particular agency to meet that responsibility. In almost every budget year, this kind of impact is felt in various areas of District operations. For example, the Minimum Wage and Industrial Safety Board is requesting additional funding (6 positions and $75,200) in fiscal 1972 to meet increased inspections and related workload principally due to amendments of the Industrial Safety Act. These amendments were enacted in the 1970 Revenue Act and expand the law's coverage to all places of employment in the District.

From year to year there are many such budget requests, some approved and some denied, which are related to Congressional actions. Because of the broad ranging and pervasive impact, however, it would be nearly impossible to trace out over a five year period the total amount of cumulative funding added to the D.C. budget in response, directly or indirectly, to legislative actions of the Congress. There are however some cases which should be highlighted because of the major impact and direct relationship of the increased funding required.

PERSONNEL COSTS

The District of Columbia personnel system operates under the jurisdiction of the Federal Civil Service System and as such the increases in salaries and benefits which have been enacted over the last several years have sharply affected the District's budget. The pay and benefits systems for District police, firemen, teachers and judicial employees are separate from the Civil Service System. However, in order to maintain a competitive pay scale, in line with the rising cost of living, comparable increases have been approved for these classes of employees. A study of the total effect of "General Actions on Personnel" has shown that these actions account for an increase of $97,227,600 of the FY 1970 budget over the FY 1964 budget; 37.8% of the total budget increase for those years is due to general actions on personnel. The detail follows:

	Increase fiscal years 1964–70	Percent of total
Salary increases to classified employees	$21,853,000	8.5
Salary increases to wage board employees	13,353,400	5.2
Salary increases to policemen and firemen	13,302,700	5.2
Salary increases to judicial employees	73,000	0
Salary increases to school teachers and officers	22,648,800	8.8
Reclassification of positions	2,609,800	1.0
Within-grade salary advancements	10,826,300	4.2
Personnel benefits (Health Benefits Act)	237,900	.1
Police and firemen's pension and relief fund	$8,457,800	3.3
Employees' compensation and unemployment compensation	704,300	.3
Administrative expenses, workmen's compensation	92,900	0
Teachers' retirement fund	1,159,900	.5
Judicial retirement	37,600	0.0
Other	1,870,200	.7
Total	97,227,600	37.8

SCHOOL TRANSIT SUBSIDY

Public Laws 87–507 and 90–605 authorized the District of Columbia to implement a school transit subsidy program to subsidize the difference between the reduced fare for school children and the regular adult fare as set by the Washington Metropolitan Area Transit Commission. This program has received appropriations as follows: $34,472 in 1967; $32,000 in 1968; $1,227,000 in 1969; $1,487,000 in 1970; and $3,203,035 in 1971. In FY 1972 the request is for $212,300, with a reserve established of $2.3 million for this program if the authorizing law is extended by the Congress.

METRO

The National Capital Transportation Act, as amended, authorized the planning and construction of the regional rail rapid transit system. Funds appropriated thus far are:

	Operating funds	Capital funds
1966		$2,000,000
1967	$257,300	4,527,500
1968	921,300	
1969	1,135,345	3,150,000
1970	1,298,855	41,615,000

The fiscal 1971 request of $34.2 million and the fiscal 1972 request of $38.3 million are presently pending before the Congress.

HUMAN RESOURCES

Public Law 90–227, authorized the District of Columbia's participation in the Title XIX Medicaid program of medical services to persons eligible for any of the four Federally-assisted categories of public assistance. Incremental funds approved for Medicaid totalled $500,000 in FY 1970, a net additional amount of $2.1 million in FY 1971 ($2.7 million approved; $600,000 redirected), and an increase of $4.9 million is pending in the FY 1972 Budget.

Public Law 90–452, the D.C. Alcoholic Rehabilitation Act of 1967, recognized alcoholism as a public health problem, not a criminal problem, and formed the basic legislative authority for the District's residential treatment and rehabilitation program for alcoholics. In FY 1972, the budget request for this program is $3.9 million, an increase of $171,000 over 1971.

The Social Security Amendments of 1967 required every state to implement a program of income supplementation to supplement the income of AFDC mothers working full-time, but earning less than they would receive if they were on welfare. This program was begun in Fiscal Year 1971 with an appropriation of $175,000. In FY 1972, the request is for $4.8 million.

For the public assistance programs, OAA, AFDC, AB, and APTD, eligibility requirements are set by Federal law. The intake of new cases is a direct factor in the expenditure levels for welfare. The District's caseload has risen substantially in recent years following a nation-wide pattern influenced by Federal administrative requirements, court actions and economic conditions. The rise in D.C. appropriations resulting from this trend is as follows:

[In thousands of dollars]

	OAA	AFDC	AB	APTD
1965	$502	2,949	65	1,031
1966	422	3,165	62	1,098
1967	507	3,935	74	1,404
1968	685	5,079	89	1,894
1969	834	6,696	87	2,086
1970	1,312	11,449	108	2,938
1971	2,025	20,265	126	5,179
1972	2,844	30,626	150	7,795

PUBLIC SAFETY

In the area of public safety, considerable program expansions and increases in expenditures have resulted from Presidential recommendations and Congressional approval of enabling legislation.

In 1966, the President's Commission on Crime in the District of Columbia made public its findings and recommendations on law enforcement in the Nation's Capital. The recommendations were very extensive and dealt with the full range of District responsibilities and functions. They involved the activities of 30 D.C. operatng agencies. Many of the findings were policy oriented, or related to organizational issues which may or may not have had budgetary impact. In addition, many new programs and new emphases were recommended and have formed the basis for District agency program planning and operations since that time, as for example the Department of Recreation's Roving Leader program. The recommendations of the President's Commission on Crime have had a significant and all-pervasive influence on budgetary and program increases for the District operating agencies.

Three specific examples in the public safety area are the expanded police force, the 1970 Crime Program and the 1970 Court Reform Act. In May, 1968, President Johnson called for an increase in the D.C. police force from 3,100 officers to 4,100. The annual cost of the additional police officers is $9.8 million.

In 1970, following President Nixon's speech of January, 1969, the District undertook the implementation of the President's Crime Program for D.C. This program included an increase in the authorized level of the police force from 4,100 to 5,100 officers and an increase in police cadets and civilian employees; Youth Group Homes, a Diagnostic and Evaluation Program and Pre-Delinquency Program of the Social Services Administration; improved departmental administration, community correctional programs, a Youth Crime Control program, a narcotics program, improved security and improved medical and classification services for the Corrections Department; expansion of the Human Relations Commission; and increased staff for the U.S. Attorney's Office and the U.S. Marshal's Office. The appropriations for the 1970 Crime Program are as follows:

	Fiscal year 1970	Fiscal years 1971 and 1972
Corrections Department	$2,300,000	$4,200,000
Justice Department	990,000	1,180,000
Social Services	560,000	1,460,000
Human Relations	120,000	270,000
Police Department	4,340,000	10,040,000
Total	8,310,000	17,150,000

Public Law 91–358, the Court Reform and Criminal Procedure Act, was approved in July 1970 and authorized many significant and thoroughgoing reforms of the District's court and judicial system. The implementation of this Act will require extensive programs and services not only in the traditional Public Safety agencies, but also in such agencies as the Department of Human Resources which provides important services in the areas of rehabilitation, institutional services, job training, education, psychiatric care.

These services are especially important to the effective operation of the total criminal justice system and to the prevention of criminal activity. The estimated annual cost of programs which implement the provisions of this Act is $13 million, once the total program is underway. Initial programs to implement the mandate of the Court Reform Act were funded in the Fiscal Year 1971 Supplemental appropriations acts.

The 1971 first supplemental expenses related to court reform

[Total=$3,830,000]

Office of the Corporation Counsel:	
Special Litigation Division, Juvenile Division, and Administrative Support	$225,000
Department of General Services:	
Space Rental for judicial activities	551,000
District of Columbia Superior Court:	
Ten additional judges and staff, Executive Office, Social Services Division, Clerk's Office, Data Processing	2,329,000
District of Columbia Court of Appeals:	
Three additional judges and staff	280,000
District of Columbia Bail Agency:	
Strengthened services	170,000
Public Defender Service:	
Strengthened legal services, Offender Rehabilitation Division, Coordination of Appointments of Private Attorneys	275,000

The 1971 second supplemental expenses related to court reform

[Total=$1,044,000]

Department of General Services:	
Increased security in the courts	$12,000
District of Columbia Commission on Judicial Disabilities and Tenure	11,000
U.S. Courts:	
The District's share of the increased costs of Federal Court operations	906,000
Department of Human Resources, improving education at the receiving home	85,000
Department of Human Resources psychiatric services to emotionally disturbed youths	30,000

The 1972 budget requests related to court reform

[Total $4,621,986]

District of Columbia Superior Court:	
Seven additional judges and staff, support staff for the Criminal, Civil, Family Divisions and the Probation Department	$743,000
District of Columbia Court of Appeals:	
Increased workload; handling bar admission-grievances	191,500
U.S. Courts:	
Reimbursement of Federal court costs	622,400
Public Defender service:	
Appellate Division	153,100
Annualization requirements of 1971 supplemental appropriations	2,911,986

The recommended increase of $44 million in the Federal payment consists primarily of increased costs resulting from previous actions of the Congress. Included also are the increased costs of the medicaid program and the Narcotics Treatment Agency. A discussion of each item contributing to the $44 million requirement follows:

1. Within grades $6.1

Agencies submit their total within grade funding required for all employees eligible for within grade increases for the fiscal year under consideration. These requirements are documented by position within the budget request. The total funding requirement is then added to the personnel compensation required for the authorized positions within the base. A lapse rate based upon experience factors is then applied to this combined requirement to arrive at the personal services money requested.

2. Annualization of Government-wide pay increases $6.3

Public Law 91–656, effective January 10, 1971, authorized salary increases for classified employees; Wage Order 70–6, effective November 11, 1970, authorized salary increases for wage board employees; and an increase for GS–085 guard positions, effective November 11, 1970, to meet the special minimum salary rate and rate change established by the U.S. Civil Service Commission provided additional supplemental funds in Fiscal Year 1971. In order to assure full funding for Fiscal Year 1972 to meet these mandatory salary increases, agencies requested $7,506,800. The 1972 budget submitted to the Congress contains only $6,262,600, a reduction of $1,254,800 or approximately a 17 percent decrease of the original agency request.

3. Payment for 2 extra weekdays $1.8

Estimates for personnel compensation are based on a 40-hour workweek and a total of 52 workweeks, plus two extra days for those positions where the administrative workweek results in two extra days in Fiscal Year 1972. Most Federal agencies are requesting compensation for one extra work day in Fiscal Year 1972 because the 1972 base includes funds for one extra day requested in Fiscal Year 1971. The District in Fiscal Year 1971 did not request funds for the extra day. This extra compensation was absorbed by the District in Fiscal Year 1971 and therefore requires an increase to meet the two extra days in Fiscal Year 1972. Many District agencies are absorbing the two extra days pay.

4. Compensation payments $500,000
Employee disability compensation .. 220,000

Enactment of P.L. 89–488 approved July 4, 1966, substantially liberalized benefits under the Federal Employees' Compensation Act. The most significant provisions of this amendment were: (1) increased the maximum compensation from $525 to 75 percent of the highest step of GS–15 (making current maximum $1,970 per month); increased the minimum payment per month from $289 to $306 per month; the compensation payment will be automatically increased with each legislative pay increase approved by the Congress; and (2) provided that future increases be based upon Consumer Price Index use of 3 percent for three consecutive months.

Thus, this mandatory program provides: Medical treatment and care for employees injured in job performance including hospitalization, doctors, private duty nursing, medical supplies, compensation for permanent disability, partial or total; burial expense in case of death on the job; compensation to surviving widows and children; and expense of vocational rehabilitation when practicable. Funds appropriated for this program are solely for the payment of compensation and related expenses, and remain available until needed.

Operating expenses for Personnel Office employees engaged in this work are included in fund for the Personnel Office, D.C. This Unit processes all employee injury and occupational disease reports and claims within the purview of the Federal Employees' Compensation Act (FECA): studies, interprets and recommends proposed legislation in the disability compensation field; trains compensation representatives in the operating departments.

The $220,000 requested is to cover increases in medical costs, cost of living increases, legislative pay raises, and heavier claim loads.

Employee Unemployment Compensation, $267.0 thousand.

This is a required program which provides unemployment compensation benefits for eligible former District Government employees. Under law, since October 1, 1955, any former District employee who qualified has been eligible to draw unemployment compensation benefits. The District Government includes in its annual budget request funds estimated necessary to pay these benefits for the succeeding year. These funds are expended through the District Unemployment Compensation Board.

Public Law 87–424, approved March 30, 1961 substantially liberalized the unemployment compensation benefits. The most significant provisions of this Act were: (1) increased the maximum benefit payment from $30 to a current $73 per week, with benefit payments being computed on an annual basis, based on a rise in the consumer price index, and (2) increase the maximum length of duration payment time from 26 to 34 weeks.

The $267,000 requested will be used to pay the increase in benefit payments and the increase in number of claimants.

Workmen's Compensation—Administrative Expenses, $44.5 thousand.

Administration of this program for the District of Columbia is vested in the Bureau of Employees' Compensation, U.S. Department of Labor. Administrative expenses are included in the District's appropriation even though actual administration and disbursements of funds rests with the Bureau of Employees' Compensation. The annual District budget requests for these funds is based upon an estimate of administrative costs provided by the Department of Labor for the budget year.

Funds contained in the increase of $44,500 for fiscal year 1972 are: within grade advancements ($15,000) and the classified pay increase which became effective January 10, 1971 ($29,500).

5. Retirement and Relief Payments $2.6

Public Law 91–297 (approved 6/30/70) raised policemen's and firemen's salaries an average of 13 percent and similarly raised pension benefits. Public Law 91–509 (approved 10/26/70) substantially increased payments to beneficiaries and allows retirement after twenty years service. Public Law 91–532 (approved 12/7/70) makes widows who married pensioners after they retired eligible for pensions. Increased cost of this legislation is reflected as both changes and increases in fiscal year 1972 budget.

6. Juror Fees $0.2

1972 Estimate 1,244.5.

Justification: Public Law 90–274, effective December 22, 1968, provided an increase in the fee paid to jurors, from $10 to $20 per day. During the 1970 fiscal year, the Court of General Sessions disbursed $546,453 to jurors and the Juvenile Court disbursed $55,280, totaling $601,733. This amount surpassed the combined allotments for jurors fees by $91,683. In view of the increase in the number of jurors paid, payment of jurors serving on the Grand Jury, and the addition of seven judges in 1972, as provided in Public Law 91–358, a corresponding increase of $234.5 is required to pay jurors the fee to which they are entitled by law.

7. Reimbursement to U.S. Courts $0.6

This amount is needed in fiscal year 1972 to annualize a fiscal year 1971 supplemental which added 70 positions to the Office of the U.S. attorney, and 56 positions to the U.S.

marshal's service and to provide for an expected increase in the number witness fee payments.

8. Teachers salary increases $0.7

The District of Columbia Teachers Salary Act Amendments of 1970, Public Law 91-297 of June 30, 1970 provides higher compensation for employees in Class 15 grade who have earned a bachelor's degree plus a minimum of 15 additional graduate credit hours. It is anticipated that 2,800 or 40 percent of the D.C. School Teachers will be eligible to receive this benefit. The budget item in fiscal year 1972 is for the required costs of the additional employees who became eligible in this year. The average increment is about $400. Provision was made in the 1971 Supplemental for the first group.

9. Prepayment of Loans and Interest .. $8.0

Public Law 451, 85th Congress (as amended), authorized a loan for a program of construction projects to meet immediate public building construction needs in the District of Columbia. Moneys advanced under this authority were to be repaid, including interest beginning July 1 of the second fiscal year following the date on which each advance is credited to the General Fund. The total funds advanced under this authority is to be repaid within thirty years. Public Law 91-650, dated January 5, 1971, authorized public building construction on a formula basis related to the general fund taxes. Of this authorization the following amounts have been appropriated, requisitioned, and repaid:

Appropriations for loans	$352,014,500
Unadvanced loan appropriations	107,389,500
Loans to date	244,625,000
Principal payment to date	5,350,321
Principal balance outstanding	239,274,679
Accrued interest to date	31,180,900
Less interest payments to date	17,466,339
Liability to United States as of June 30, 1971	252,989,240

10. Board of Elections $0.2

As a result of the 1968 amendments to the Election Act which provided for an elected Board of Education, and the act of 1970 which provided for the election of a Delegate to the House of Representatives, elections will be held in the District each year.

Additional funds will be required to conduct an election in November 1971 for one at large and five ward members of the Board of Education, with a run-off election possible for each office. In May 1972, part elections will be conducted for Delegate, local political party officials, and delegates to the national Presidential nominating conventions.

MEDICAID PROGRAM—FISCAL YEAR 1972

Cost of program	Fiscal agents— 1971	1972	Increase
Estimated population to be serviced	125,213	138,522	13,309
Fiscal year 1971 estimated cost per person	$290	$290	$290
Total cost resulting from estimated increase population	35,311,770	$40,171,380	$3,859,610
Estimated cost resulting from estimated increase in cost per person ($32x138,522)			4,432,704
Total increase funding required			8,292,314
Estimated increase in District of Columbia portion of increase funding requirement			4,883,439

11(c). Narcotics Treatment Agency $0.9

The increase of $924,500 and 7 positions is for funding of the Law Enforcement Assistance Administration Discretionary Grant which will not be available in fiscal year 1972. This grant provides funds which can be used in a flexible manner to contract with local organizations to provide treatment and other services of a nature and in areas where they are not otherwise available.

12. Court Reform $3.9

To implement Public Law 91-358 District of Columbia Court Reform and Criminal Procedure Act of 1970 the Supplemental Appropriations Act, 1971 (Public Law 91-665) provided partial year funding in fiscal year 1971 for the following agencies, to annualize these items the following is needed:

Corporation Counsel:	
Special Litigation Division	$0.1
Juvenile Division	0.1
Department of General Services: Space rental-expanded activities relating to the Court Reform Act	0.8
Court of Appeals: Judges, staff and other objects (telephone, printing, contracts and supplies)	0.1
Superior Court: Staffing, supplies and equipment	0.5
District of Columbia Bail Agency: Staff and other objects (communication, printing, reproduction, supplies, notification expenses, travel and transportation)	0.2
Total, Court Reform	*1.8

Other annualization required because of partial year funding of items in the First and Second Supplemental Appropriations Act, 1971:

Sanitary Engineering:	
Additional staff for development and implement training programs and a skills bank, equal employment opportunity program, and additional custodial workers	$0.1
Safety equipment, uniforms, raingear and laundry service	0.1
Department of General Services: Annualize cost of greater guard security in buildings and parking lots occupied by local courts	*0.1
Human Resources: Annualization of additional staff at Receiving Home to provide education to children held in detention and residential psychiatric service to emotionally disturbed youths when ordered by judges and child's condition warrant immediate attention	*0.2
Total, First and Second Supplemental Annualizations	0.5

Miscellaneous

Metropolitan Police: Increased cost of medical bills	*0.1
Fire Department: Columbus Day holiday	*0.1
Superior Court: Benefits to former personnel	*0.1
Recreation Department: Personnel compensation above basic rates	*0.1
Hospital and Medical Care Administration: Nurses and nursing assistants reclassification	*0.2
Mental Health Administration: Nurses and nursing assistants reclassification	*0.1
Sanitary Engineering: Equipment	0.1
Public Library: Increased cost of building repairs	0.1
Department of Highways and Traffic: Electrical energy, equipment and vehicles	0.1
Department of Sanitary Engineering: Land rental—Cockpit Point Corp	0.1
Department of Finance and Revenue: Annualization of prior year approved positions related to changes in sales tax law providing for taxpayer sales tax credit on income tax returns and tax collection enforcement	*0.4
Department of Corrections: Provide for inflationary increase in supplies and materials related to increase of prison population resulting from court reorganization	*0.2
Federal City College: For additional space required for 3d and 4th year programs	*0.5
Total, Miscellaneous	2.2
Grand Total, Other	4.5

* Related to congressional action.

13(a). Minimum Wage $0.1

H.R. 19885 (Revenue Act of 1970) passed the 91st Congress and included in this legislation are amendments to the Industrial Safety Act (D.C. Code, Sections 36, 431-442).

The legislation makes the industrial safety law applicable to all places of employment. Since 1965, 10,000 (hotel) employees had been exempted. The legislation will also make public hearings by the Board a possibility when an application is made for a variation of a safety regulation. It will also increase fines from a minimum of $100 to a maximum of $600.

This legislation will immediately place 10,000 hotel employees and approximately 3,000 other employees who work within hotel buildings under the jurisdiction of the Industrial Safety Board. These workplaces have been neglected since 1965. Inspection procedures must be reinstituted and injury analysis and safety program supports must be made and designed for the hotel industry.

13(b). Commission on Judicial Disabilities and Tenure $0.1

The Commission on Judicial Disabilities and Tenure was established by Title I of the Court Reform and Criminal Procedure Act of 1970. The Commission shall have the power to suspend, retire, or remove a judge of a District of Columbia Court. One of the first duties of the Commission will be to review the reports of personal financial interest of all judges in the District of Columbia Courts. Thereafter, the Commission will review on an on-going basis the conduct and health of the judges to insure proper performance of judicial duties in the administration of justice. It shall conduct investigations as it deems necessary and shall institute hearing proceedings before final determination is made.

13(c). To implement P.L. 91-358 "District of Columbia Court Reform and Criminal Procedure Act of 1970," the Supplemental Appropriations Act, 1971 (P.L. 91-665) provided partial year funding for fiscal year 1971, the following amounts are required for annualization:

Superior Court

Judges and staff	$0.8
Financial Operations	0.1
Social Services Division	0.6
Clerk's Office	0.1
Data Processing	0.1
Clerk, Juvenile Court	0.1
Other Objects (communications, printing, reproduction, supplies, notification expenses, travel, transportation, and equipment)	0.3

Public Defender Service

Staff and other objects (travel, communication, utilities, printing, reproduction, supplies, and materials)	0.3
	2.4

SUMMARY OF DISTRICT OF COLUMBIA GOVERNMENT FISCAL YEAR 1972 BUDGET INCREASES RELATED TO CONGRESSIONAL ACTION, "THE $38 MILLION"

Within Grade Advancements—$6.1 million: U.S. Code, Title V, Chapter 53, Subchapter

3, Section 5335 (Periodic Step Increases) (P.L. 89–554, as amended).

Annualization of Pay Increases—$6.3 million: P.L. 91–656—salary increases for classified employees Wage Order 70–6—salary increases for wage board employees.

Two Extra Days Compensation—$1.8 million: Estimates for personnel compensation are based on a 40 hour work week and a total of 52 work weeks plus two extra days for those positions where the administrative work week results in two extra days in FY 1972.

U.S. Code, Title V, Chapter 55, Subchapter 1, Section 5504 (Biweekly Pay Periods, Computation of Pay) (P.L. 89–554, as amended).

Compensation Payments—$.5 million:

1. Employees Disability Compensation Payments—$220,000:

U.S. Code, Title V, Chapter 81 authorizes the program, "Compensation for Work Injuries" (P.L. 89–554, as amended).

P.L. 89–488 substantially liberalized benefits under this Act, increasing costs to the District.

2. Employee Unemployment Compensation Payments—$267,000:

The Act of August 28, 1935, as amended authorized D.C. Unemployment Compensation.

P.L. 87–424 substantially liberalized benefits under this Act, increasing costs to the District.

3. Workmen's Compensation—Administrative Expenses—$44,500:

The Act of May 17, 1928 (Workmen's Compensation Extended to D.C. Employees).

The Act of May 29, 1928 (Required D.C. Reimbursement to Labor for Administrative Expenses).

Retirement and Relief Payments—$2.6 million:

Increased costs are related to:

P.L. 91–297 increased pension benefits for policemen and firemen.

P.L. 91–509 increased payments to beneficiaries and allowed retirement after 20 years.

P.L. 91–532 makes widows who married pensioners after they retired eligible for service.

Juror Fees—$.2 million: P.L. 90–274 provided an increased fee for jurors. There has also occurred an increase in the number of jurors paid.

Reimbursement to U.S. Courts—$.6 million:

Title 28, Chapter 5, (P.L. 86–3) assigns U.S. Marshals and U.S. Attorneys to the District Court in D.C.

P.L. 86–84 establishes a formula for D.C. reimbursement to the Department of Justice.

Teachers Salary Increases—$.7 million: P.L. 91–297 provides for higher compensation for employees in Class 15 grade with a Bachelor's degree plus 15 additional hours service.

Repayment of Loans and Interest—$8 million:

The Act of May 18, 1954—loans for water, sewerage, highway construction.

The Act of September 7, 1957—loans for D.C. Stadium.

The Act of June 6, 1958—loans for public works construction.

The Act of June 12, 1960—loans for Potomac Interceptor construction.

Board of Elections—$.2 million:

Increased costs related to:

Voting Rights Amendments of 1970.

P.L. 91–405 authorizes the elections for Delegate.

P.L. 90–292 authorizes an elected School Board.

Annualizations—$7.1 million:

Minimum Wage—to annualize positions approved in FY 1971 to implement the Act of January 5, 1971, amending the D.C. Industrial Safety Act.

Commission on Judicial Disabilities—to annualize program approved in FY 1971 to implement P.L. 91–358.

Court Reorganization—to annualize programs approved in FY to implement P.L. 91–358.

Higher Education—to annualize programs approved in FY 1971 to implement P.L. 89–791.

ADDITIONAL INCREASES RELATED TO CONGRESSIONAL ACTIONS

Public Assistance Payments—$15.3 million: The increased costs and caseload are a result of many judicial, administrative and social factors.

The welfare program is a national program, established in the 1930's and liberalized by the Social Security Act Amendments of 1967.

Medicaid Program—$4.9 million: Increased costs due to D.C. implementation of Title XIX of the Social Security Act, as amended.

School Transit Subsidy—$.7 million: P.L. 92–90 extended the program's authority for three years.

Income Supplementation—$1.2 million: Increased costs due to D.C. implementation of 1967 Social Security Act Amendments requiring income supplementation.

Mr. CABELL. Does the gentleman mean for nonprofit organizations and the like?

Mr. ROUSSELOT. Yes.

Mr. CABELL. It is my recollection it is not less than $250,000 and certainly not more than $500,000 of potential taxes for properties that have been declared exempt.

Mr. ROUSSELOT. In other words, the loss of revenue was almost $500,000?

Mr. CABELL. It occurs to me it is more nearly $250,000 of potential taxes to be derived from those buildings which have been declared exempt.

Mr. ROUSSELOT. Who took this action; that is the Congress?

Mr. CABELL. That has to come from the Congress.

Mr. ROUSSELOT. In other words, we are partially responsible for the reduction of revenue?

Mr. CABELL. Bear in mind, a great deal of that is for chanceries.

Mr. ROUSSELOT. I understand that; but we have been responsible for reducing the revenue; is that correct?

Mr. CABELL. That is correct.

Mr. NELSEN. Mr. Chairman, I yield 2 minutes to the gentleman from Maryland (Mr. GUDE).

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

I rise in opposition to the provision which would extend the District of Columbia sales tax to the sale of advertizing at the rate of 4 percent.

I have always been more than sympathetic to the critical revenue needs of the District, and I have supported all legislation which would truly aid the District in meeting its needs. However, I feel very strongly that this tax would be counterproductive.

Since the city relies heavily on the sales tax as a source of revenue, and sales tax obviously is a product of sales, the logic of imposing a tax on advertising, a primary promoter of sales, escapes me. Advertising brings the buyer and seller together and the local government is a silent partner in every sales transaction, taking its 4½-percent profit off the top, and in the process benefiting from the merchant's advertising without paying a single cent. Therefore, I ask, why bite the hand that feeds you?

To the extent that advertising is diminished as a result of the substantial cost which would be incurred by this amendment, fewer retail sales will be generated and two principal sources of revenue to the District—the sales and income tax—are likely to produce less revenue. Therefore, the advertising tax is likely to result in less, rather than more, income to the city.

Furthermore, since this proposal was put through the committee in the last day of markup session, without any hearings, I am skeptical of it as I would be of any proposal which was to be considered with the same lack of investigation and/or discussion before the vote.

Mr. CABELL. Mr. Chairman, I yield 2 minutes to the distinguished chairman of the committee, the gentleman from South Carolina (Mr. MCMILLAN).

Mr. MCMILLAN. Mr. Chairman, again, we are asking you to approve another revenue bill for the District government. Immediately after the suggested budget for the District of Columbia was referred to the House District Committee, I requested the gentleman from Texas (Mr. CABELL), chairman of the Business Subcommittee, to conduct hearings in an effort to find out the reasons for the continued increase of expenditures in operating the District of Columbia government.

Congressman CABELL and his subcommittee spent approximately 2 months conducting hearings and questioning the individual District government agencies as to why the budget for the District of Columbia continues to increase every year. We have found it absolutely impossible to retard the District government expenditures since we only have jurisdiction over legislative matters and cannot control the appropriations.

When I first became a member of the House District Committee, the Federal payment was $9 million annually. I have used every effort in my power to hold the expenditures down to the extent that it would not be necessary to increase the Federal payment; however, when the District Commissioners and the present Commissioner present facts showing that numerous new Government agencies have been created causing additional expenses, I have continuously asked that the Federal payment be increased.

Last year we increased the Federal payment from $90 million to $126 million. This year I first asked the committee to increase the Federal payment from $126 to $140 million due to additional expenditures made necessary by acts of the Congress. The House increased the salaries for all employees of the District of Columbia. The House District Legislative Subcommittee placed a ceiling last year on the employees of the District of Columbia government for 1 year; however, since the expiration of that date, numerous employees have been added. Also, since the Reorganization Act of 1967 was passed by this Congress, the employees for the District of Columbia have increased from approximately 27,000 to 41,000, even though the population of the District of Columbia has decreased by

approximately 60,000 during the past 10 years.

I must confess that my committee and I, after using every effort possible to curve the expenditures of the District of Columbia government, and find ourselves unable to prevent the district government from creating new indebtedness causing additional expenses. Our only hope is to hope and pray the House and Senate Appropriations Committees will thoroughly check the District expenditures and see if the continued increase in expenditures can be retarded.

The District government first requested in the original budget that the Federal payment be $190 million; however, since no pay raises of any kind can be made to the District employees, the original request of the District officials was reduced to $170 million. I do not quite understand how expenses continue to increase when the government is supposed to be operating on a continued resolution passed by the Appropriations Committee. I believe that the average businessman in the District of Columbia is paying more than the average businessman in other cities comparable to the size of Washington. I am not certain that the property and real estate taxes are as high as they are in some cities, as this is a matter over which the Congress has no jurisdiction since many years ago the Congress gave the Commissioners authority to levy taxes on real estate. I can assure the Members of the House that we could have reported a revenue bill to the floor of the House 3 months earlier; however, we spent many days and weeks studying the District of Columbia government in an effort to see if this proposed budget could not be reduced; hence, that is the reason we are late in reporting the bill to the floor of the House.

Very few Members of Congress realize that the Federal Government is contributing some $400 to $500 million in grants through the individual Government agencies to assist the District government, and this is in addition to the regular Federal payment.

We are making an effort to have some record made of these grants so that the Appropriations Committee will be in a position to know the amount of Federal funds being spent in operating the District government.

PURPOSE OF THE BILL

The purpose of H.R. 11341 is to provide some additional revenue to the District of Columbia, as well as other much needed and justified legislation.

Again the Congress is faced with and asked to bail the District government out of its fiscal distress.

For the eighth consecutive year the District has come to Congress with an out-of-balance budget. The District's estimates of expenditures as submitted for fiscal year 1972 totaled $1,045 million of which $725.9 million represents the operating budget for 1972.

The government of the District of Columbia continues an accelerated rate of spending, all out of proportion, in the judgment of a majority of the House District Committee members, to the city's declining population, its needs, or its ability to finance such expenditures. Few if any economies or efficiencies have been achieved in the expansion of the city government departments, agencies, and programs. Yet no other city in the Nation is annually treated so generously with hundreds of millions of dollars in Federal grants, in addition to the annual generous Federal payment.

The House District Committee is of the opinion that it has met all the established needs of the Nation's Capital by enacting the necessary legislation.

During the past 7 years your committee has reported and the Congress has approved five revenue acts for the District.

In these 7 years, the Congress has:

First. Increased the Federal payment authorization from $32 to $126 million.

Also, in addition, authorized were one-time Federal contributions of $5 million for combating crime, $5 million as costs of the expansion and reorganization of the local court system and programs to reduce the drug problem, and $8 million toward salary increases for police, firemen, and teachers; to make a total increase in annual Federal payment authorizations to the District during these 7 years of $112 million—from a lump-sum $32 to $126 million, plus $18 million for special purposes.

Second. Raised various District tax rates to provide an estimated $62.4 million of additional annual revenues to the District of Columbia General Fund.

Third. Increased certain motor vehicle registration and other fees, in the Revenue Act of 1969, so as to provide an additional $6 million annually to the Highway Fund.

Fourth. Increased the District's borrowing authority to the General Fund, for capital improvements, from $75 to $610 million.

Fifth. Also increased the District's borrowing authority to provide $72 million for the Sanitary Sewage Fund, $110 million for the Highway Fund, and $57 million for the Water Fund.

Sixth. Provided $300,000 revenue for highway repairs from truck fees; also $200,000 from a tax on the rental of linens; and a $200,000 saving to District by inspection of milk and dairy products under standards of the Department of Health, Education, and Welfare.

Seventh. Authorized a Federal contribution of not to exceed $1,147 million—and increased the District's borrowing authority to cover its share of $216.5 million—of the net project cost of a regional rapid rail system, with total estimated cost of $2,494.6 million.

During the 10 years' construction of the subway now underway, it is estimated that 12,000 to 15,000 workers will be employed with an estimated $1 billion payroll.

Eighth. Authorized $50 million for construction of the Federal City College and the Washington Technical Institute—$10 million of this was an outright grant, and $40 million another additional borrowing authorization.

Ninth. Qualified the Federal City College as a land-grant college, thereby authorizing it to receive a capital grant of $7.2 million as an endowment. Provided that land-grant funds shall be equally divided between the Federal City College and the Washington Technical Institute.

Tenth. Authorized $40 million in Federal project grants for modernization of hospital plants and construction of health facilities, and another $40.5 million in Federal loans—at 2.5 percent interest repayable in 50 years—for institutions not having the required matching funds.

Eleventh. Authorized a $6.2 million subsidy for the benefit of the District's Medical and Dental Schools of Georgetown and George Washington Universities, respectively, for grants not to exceed $5,000 per medical student, and not to exceed $3,000 per dental student for fiscal years 1971 and 1972.

Twelfth. Provided an additional $25 million, annually, to the District's revenues, through increases in the personal income tax, when enacting the police, firemen, and teachers' salary bill of 1970.

The mean average household income for 1969, as reported by te District of Columbia government, was $10,500.

Thirteenth. Other approved legislation authorized 20-year leases for space for the District of Columbia government, thereby saving the District an estimated $1 million over a 20-year period, and provided for a study of Potomac River pollution and resources.

REORGANIZED D.C. GOVERNMENT COST INCREASES

Fiscal year 1972 will make the fourth fiscal year since the change over from the Commissioner government established in 1878 to the present "reorganized" District government which was launched during the 1968 fiscal year. A majority of your committee was firmly convinced that Reorganization Plan No. 3 would solve few, if any problems of the District government, and to the contrary would result in increased costs and inefficiencies. As an alternative to Reorganization Plan No. 3, your committee in 1967 reported to the House a modified Commissioner government to continue the local system which had given the District nearly 90 years of stable and effective government.

The study in depth of the District government budget request for 1972 fiscal year which has been conducted by your committee has provided a better informed legislative base for action in providing new funds for estimated budget needs during fiscal 1972. To see the fiscal direction the local government appears to be taking, a comparison is presented here showing the trends during the last 4 years of the three-Commissioner government and the 4 years, including the 1972 fiscal estimates, since the reorganization of the District government in 1967.

DISTRICT GOVERNMENT EXPENDITURES BEFORE AND AFTER REORGANIZATION

This table presents a comparison of District of Columbia fiscal year government expenditures for the 4-year period preceding the Reorganization Plan No. 3, and the expenditures during the 4 years succeeding the plan, including 1972 fiscal estimates. Totals do not include principal and interest payments on borrowed funds.

[In millions]

	Operating expenses	Capital improvements	Appropriated expenditures	Grant funds
D.C. government prior to reorganization (1964-67):				
1964	$262.9	$46.6	$309.5	$57.4
1965	288.5	59.6	347.1	43.6
1966	309.4	53.6	363.0	63.0
1967	345.5	71.6	467.1	80.3
Total	1,206.3	231.4	1,486.7	247.3
Reorganization of D.C. government—1968:				
1969	$465.8	$109.1	$574.9	$120.4
1970	560.9	128.3	589.2	142.7
1971	620.8	71.0	691.5	171.8
1972 (estimate)	691.8	261.0	952.8	268.3
Total	2,339.0	569.4	2,908.4	703.2

NOTES

All funds total—grant and appropriated—1964-67, $1,734.
All funds total—grant and appropriated—1969-72, $3,611.6.

Figures from District of Columbia Financial and Statistical Report, 1969-70 and supporting materials—Revenue Hearings 1971.
Principal and interest figures on borrowed funds not included in above totals.

During the period of years shown, there has been a decline in the total population of the District and nearly 10 percent decline in school attendance. The per capita income has continued at the level above any State at $5,519.00, or $22,076.00 for a family of four. Yet District of Columbia government operating costs show nearly a 100-percent increase for the 4 years since the present government was installed, compared to the 4 years preceding that change. A similar showing is made in connection with the expenditures for capital improvements and the combined totals again show a 100-percent increase. When grant funds to the District government are added to other funds, the comparison results in still greater increase of about 125 percent during the 4 years since reorganization.

From 1923 until 1956, the District of Columbia operated without any public debt. The last year before the change in the District government, the authorized debt ceiling for various funds was $290 million. The first year following reorganization the authorization increased under formula to $333.8 million for general borrowing, which under the formula reached $402 million, and was exhausted, in 1970. The total borrowing authority for all funds totaled $741 million and the appropriations against the borrowing authority reached $645 million in 1971. The revenue request of the District government for fiscal year 1971 recommended changing the formula to increase the total borrowing authority. The all fund total borrowing today stands at $1,118 million, and the total funds appropriated, if the 1972 budget is fully approved, will be more than $900 million. The District is rapidly reaching a point where its insufficient revenues will be called upon to reserve about 10 percent of the funds to meet interest and principal payments on its debt.

DISTRICT GOVERNMENT'S EXTRAVAGANCE

The District of Columbia government, in the judgment of your committee, has rapidly become the most extravagant government in the entire Nation. Despite a declining population—1950 census: 802,178; 1960 census: 763,956; 1970 census: 756,510—with need for fewer services and fewer government employees, local costs in the District of Columbia continue to spiral upward at an alarming unjustified rate.

The 1970 census figures revealed the population of the District of Columbia to be 756,510. Yet after the 1960 census—763,956—District officials projected their estimates of population—based on their own computations of population increase—to a high figure of 860,000, and the city has since received corresponding but unearned Federal grants and benefits computed on such higher figure. In the intervening years, the District's yearly testimony and representations to the Congress for need for additional revenue have been predicated upon the claimed population of 860,000, for which projected services and programs were submitted for approval. The city's estimate, based upon a much-inflated figure, as a matter of fact was more than 100,000 persons in excess of the actual population of the city.

The following tabulation shows at a quick glance the untoward dollar increases in the District's budget over a 10-year period. The 1963 budget of $295.9 million jumped to $1,045.3 million—an increase of $749.4 million, or a 253-percent increase—for 1972. Ever since the reorganized District of Columbia government took office, there has been a 100-percent increase in the budget—from $520.4 million in 1968 to $1,045.3 million for 1972.

On the other hand, the total resources—for spending—budget of the District has increased even more alarmingly; namely, by 312 percent since 1963—from $351.7 million in that year to an estimated $1,450.1 million for 1972. And this is a 108-percent increase in spending under the reorganized District of Columbia government, largely due to increased Federal grants during this period to the District.

However it is viewed, the fact is inescapable that the taxpayers all over the United States are picking up the tab for over 25 percent of the government expenditures made in the District of Columbia for or on behalf of the local residents.

DISTRICT OF COLUMBIA BUDGET, ALL FUNDS—NEW AUTHORIZATIONS 1963-72

[In millions of dollars]

	1963	1964	1965	1966	1967	1968	1969	1970	1971	Estimate 1972	Percent increase 1972 over 1971
General operating expenses:											
Operating	16.4	17.9	19.4	20.5	23.2	28.1	34.1	47.6	55.3	61.0	10.3
Capital outlay	1.6	1.1	5.0	2.1	.9	13.6	7.5	1.7	4.7	11.4	142.5
Public safety:											
Operating	60.5	66.1	73.7	80.0	90.4	99.0	114.7	141.5	163.1	174.2	7.8
Capital outlay	1.1	.6	.3	1.6	1.2	3.0	4.0	12.8	4.3	12.4	188.3
Education:											
Operating	59.5	63.9	72.0	75.6	86.1	103.3	123.2	151.8	161.7	178.5	10.3
Capital outlay	7.7	15.6	14.4	17.6	30.1	54.3	41.6	36.8	30.7	93.4	204.2
Recreation:											
Operating	8.6	9.1	10.2	11.1	12.9	15.7	17.8	19.2	11.8	12.8	8.4
Capital outlay	.3	.4	.7	1.0	1.1	2.7	2.8	1.4	1.9	9.1	378.9
Human resources:											
Operating	65.9	70.5	76.2	81.1	90.8	107.1	125.1	144.6	168.6	207.0	22.7
Capital outlay	13.7	1.3	.5	6.0	2.6	2.0	7.2	1.6	1.7	21.5	1,164.0
Highways and traffic:											
Operating	11.5	12.4	13.7	14.2	15.3	16.8	18.0	19.4	21.0	21.3	1.4
Capital outlay	10.0	11.3	13.8	9.8	15.5	18.3	11.2	3.6	2.6	6.7	157.7
Sanitary engineering:											
Operating	21.1	22.0	22.4	23.3	25.1	28.0	32.4	36.8	39.0	40.7	4.3
Capital outlay	15.0	15.4	23.0	12.5	14.3	17.7	30.6	27.2	23.9	98.0	310.0

DISTRICT OF COLUMBIA BUDGET, ALL FUNDS—NEW AUTHORIZATIONS 1963-72—Continued

[In millions of dollars]

	1963	1964	1965	1966	1967	1968	1969	1970	1971	Estimate 1972	Percent increase 1972 over 1971
Payment D.C. share of Federal capital outlays (Federal obligations)		0.9	1.9	1.0	1.4	1.2	1.1	1.6	1.2	1.2	
Contributions to rail rapid transit				2.0	4.5		3.1	41.6		72.5	
Repayment of loans and interest	2.5	5.0	5.6	5.7	6.1	7.8	8.8	10.8	15.6	23.6	51.2
Judgments, refunds, and other expenses	.5	1.0	.9	3.6	1.6	1.8	.5	.1			
Operating	244.0	262.9	288.5	309.4	345.5	399.8	465.8	560.9	620.5	695.5	12.0
Capital outlay	49.4	46.6	59.6	53.6	71.6	112.8	109.1	128.3	71.0	326.2	359.4
Repayment of loans and interest	2.5	5.0	5.6	5.7	6.1	7.8	8.8	10.8	15.6	23.6	51.2
Subtotal	295.9	314.5	353.7	368.7	423.2	520.4	583.7	700.0	707.1	1,045.3	57.8
Reserves										10.5	
Appropriated budget and reserves	295.9	314.5	353.7	368.7	423.2	520.4	583.7	700.0	707.1	1,055.8	39.7
Federal grants	55.8	57.4	43.6	62.4	79.8	103.5	119.2	142.0	171.3	268.0	56.4
Private grants	(1)	(1)	(1)	.6	.5	1.1	1.2	.7	.5	.3	−40.0
Total resource budget	351.7	371.9	397.3	431.7	503.4	625.0	704.1	842.7	878.9	1,324.1	50.6

DISTRICT IS NO. 1 RECIPIENT PER CAPITA OF FEDERAL EXPENDITURES

In view of the liberal—$405,134,161—allocation and distribution of Federal funds to the District of Columbia, shown below, it is not surprising to note from the Treasury Department tabulation that while the population of the District of Columbia—756,510—amounts to only .0037 of the 203,165,699 population of the United States, nevertheless the District of Columbia in 1970 received by way of Federal aid .0167—or $405,134,631—of the total $24 billion Federal largesse distributed throughout the entire United States.

Even if the per capita comparisons are disregarded, looking at the dollar figures alone there are 31 States which received less in Federal funds in 1970 than the $405,153,631 granted to the District of Columbia; namely:

Alaska, Arizona, Arkansas, Colorado, Connecticut, Delaware, Hawaii, Idaho, Indiana, Iowa, Kansas, Maine, Maryland, Montana, Nebraska, Nevada, New Hampshire, New Mexico, North Dakota, Oklahoma, Oregon, Rhode Island, South Carolina, South Dakota, Tennessee, Utah, Vermont, Washington, West Virginia, Wisconsin, and Wyoming.

The citizens of the rest of the country are being treated most unfairly when compared to the generous treatment accorded the citizens of the District of Columbia, insofar as the expenditure of Federal funds is concerned. The citizens in the States, then, receive a disproportionate and lesser part of the Federal dollar, whether viewed as a return from Federal taxes, as Federal grants or aids, or otherwise, which is manifestly unfair no matter how viewed.

The total Federal aid to each of the 50 States, its population, and per capita aid, are shown in the following excerpts from the Treasury Department's 1970 report.

FEDERAL AID TO THE STATES AND TO THE DISTRICT OF COLUMBIA, FISCAL YEAR 1970—SUMMARY

State	Population	Grand total	Per capita aid
Alabama	3,444,165	$523,507,981	$151
Alaska	300,352	115,929,874	385
Arizona	1,772,432	237,166,021	133
Arkansas	1,923,295	274,819,307	160
California	19,953,134	2,998,345,571	100
Colorado	2,207,259	282,261,439	127
Connecticut	3,032,217	$295,488,191	97
Delaware	548,104	51,110,807	93
District of Columbia	756,510	405,134,631	535
Florida	6,789,443	509,409,287	75
Georgia	4,589,575	553,793,855	120
Hawaii	768,561	123,581,986	160
Idaho	712,567	95,290,069	133
Illinois	11,113,976	950,808,806	85
Indiana	5,193,669	352,223,807	67
Iowa	2,825,041	244,345,207	86
Kansas	2,249,071	231,665,571	103
Kentucky	3,219,311	456,588,491	141
Louisiana	3,648,180	526,971,861	144
Maine	992,043	112,485,425	113
Maryland	3,922,399	395,030,686	100
Massachusetts	5,869,170	715,829,951	121
Michigan	8,875,083	786,758,072	88
Minnesota	3,805,069	407,361,699	107
Mississippi	2,216,912	413,042,046	186
Missouri	4,677,369	502,013,222	107
Montana	694,469	135,491,316	195
Nebraska	1,483,791	129,782,934	87
Nevada	488,738	76,827,951	157
New Hampshire	737,681	72,187,892	97
New Jersey	7,168,154	619,739,332	86
New Mexico	1,016,000	218,814,942	215
New York	18,190,740	2,365,629,042	130
North Carolina	5,082,059	507,067,589	99
North Dakota	617,761	87,724,591	142
Ohio	10,652,017	888,453,481	83
Oklahoma	2,559,268	403,759,349	157
Oregon	2,091,385	297,955,602	142
Pennsylvania	11,793,910	1,343,171,041	113
Rhode Island	949,723	132,680,617	139
South Carolina	2,590,516	278,078,087	107
South Dakota	665,507	103,685,545	155
Tennessee	3,924,164	487,031,456	124
Texas	11,195,730	1,153,404,525	103
Utah	1,059,278	173,846,992	164
Vermont	444,732	77,105,186	173
Virginia	4,648,494	465,682,360	100
Washington	3,400,169	400,451,472	117
West Virginia	1,744,237	303,098,149	174
Wisconsin	4,417,933	386,704,092	87
Wyoming	332,416	83,296,080	250
Puerto Rico	2,712,033	325,426,747	119
Virgin Islands	62,468	27,091,995	433
Total	203,165,699	24,194,090,576	

Source: Department of the Treasury, Fiscal Service, Bureau of Accounts, Division of Government Financial Operations document entitled "Federal Aid To States, Fiscal Year 1970."

ALTERNATE TAXES

The District has failed for several years to come up with any tax proposals levied upon District of Columbia residents and property which would make up the deficiency between the District of Columbia expenditures and the present revenue availability, despite the fact that these ever-increasing benefits inure to the benefit of the local residents.

Annually, at your committee's revenue hearings, the Commissioner and his staff are pressed to recommend or propose alternate taxes to provide the additional wherewithal which the District claims it needs for survival; but no such alternate tax proposals are forthcoming. Such is the case this year as it was in 1969 when the commuter tax was first proposed and defeated; $51.6 million is the supposed increment to the District should the reciprocal income tax be adopted. And yet despite the failure of the Congress to support it—the other body has already passed legislation prohibiting the District from imposing such a tax—the District has not submitted any other tax proposal in its place. In all its representations to various members of your committee, the District has only urged that the Federal payment increase which it had requested as a part of its proposals; namely, $27 million—an increase from $126 million currently authorized to $153 million—be further increased to make up the deficit from lack of revenue which it will not realize with the defeat of the commuter tax proposal.

In effect, the District of Columbia is expecting the Federal taxpayers, through their representatives in Congress, to approve in 1971 a Federal payment in excess of $200 million, or a 158-percent increase over the presently authorized $126 million Federal lump sum contribution to the District which is over and above the Federal grant and aid programs to the District far in excess per capita the Federal expenditures in every State of the Union.

Mr. CABELL. Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. DELLUMS).

Mr. DELLUMS. Mr. Chairman, since general debate time is drawing to a close, I will only take a portion of my time, because I would like for my distinguished colleague from the District of Columbia to have more than his allocated 3 minutes. Therefore I would like to address myself to one issue, House Report 598 of the District Committee.

Mr. Chairman, it is my considered opinion that this report is a travesty. The committee has violated its own rules by issuing this report without allowing individual Members to have a chance to read it before it was issued.

I assure you that had some of us been able to see this report prior to its being released, it would have been quite different.

Mr. Chairman, as a member of the

committee, I am, frankly, ashamed to be associated with House Report 598. It is nothing more than a negative, degrading and misguided document.

Mr. Chairman, if ever this body can be accused of harboring a "plantation" attitude toward the District, this report indeed is very heavy evidence.

Mr. Chairman, I once had the very strange notion that the Congress and the District Committee were constituted to serve the needs of the District of Columbia. However, judging by the debate in the committee and by the committee report, my view was wrong.

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

Mr. CABELL. Mr. Chairman, I yield 3 minutes to the gentleman from the District of Columbia (Mr. FAUNTROY), plus the unused time which was yielded back by the gentleman from California (Mr. DELLUMS).

Mr. FAUNTROY. Mr. Chairman, I obviously rise in strong support of the action of the House District Committee in approving the revenue generating provisions of H.R. 11341. The central provision of the bill authorizes an increase of $44 million in the Federal payment to the District of Columbia. An overwhelming majority of the committee—by a 19 to 7 vote—supported this increase as I did. The chairman of the committee supported the action. The ranking minority member, Mr. NELSEN, supported the action, and a large majority of the Democrats and Republicans on the committee supported the action. I am informed that the President is prepared to sign a revenue bill containing even more than what was approved by the committee. In short, the Federal payment figure approved by the committee enjoys broad support.

I personally do not believe that it is large enough, but I voted for it because it is a reasonable accommodation of widely differing views held by members of the committee.

Now, admittedly gentlemen, as the first elected representative of the people of our Nation's Capital to stand in this Chamber in nearly 100 years; I bring to this awesome responsibility for the present only an outsider's knowledge of the inner workings of the Congress. But these are two things that I bring to your consideration of this bill today that are absolutely essential to your proper evaluation of what is presented here. The first is the truth. I, perhaps as no one else in this Chamber know the truth about the city. I was born here, I grew up on its streets, I attended its public schools; I have wrestled exhaustively with its most crippling problems as a pastor, as a community developer, and as a vice chairman of its city council. I know the truth about this city.

Secondly, gentlemen, I know what is right. My professional training like that of only two other Members of the Congress has been in the field of ethics and morals; in the discipline of identifying the truth and arriving at what is therefore right. In short, gentlemen, I bring to your deliberations on the bill the truth about the city and I am here to remind you of what is right.

The truth is that the increase of $44 million in the Federal payment is not large enough. I voted for the bill because it is a reasonable accommodation of widely differing views held by members of the committee. But the truth is that the $44 million increase does not begin to provide sufficient revenue to fund many programs in which the Congress has shown great interest. The truth is that this bill will not fund seven new judges which were to be added to the local trial courts to expedite criminal trials authorized in the Criminal Justice Act. The truth is that it will deny the Federal City College its 4th year program authorized by an act of Congress to commence this year. The truth is that it denies us funds to maintain an outstanding narcotic treatment program after expiration of a Federal grant for the vital program. This is the truth and I therefore remind you that it would be both wrong and disastrous to approve anything less than the $44 million increase; that the right thing to do is to support this bare bones measure.

I must hasten now to tell you the truth and to remind you of what is right with respect to the erroneous allegations of the staff or the District Committee as contained in the so-called committee report on this bill that the District government is extravagant and financially irresponsible. I emphasize "staff" allegations because the committee was never given the opportunity to review the report. I raise this point because I would be astonished if a majority of the committee would concur in the intemperate language, the gross distortions, and the hostility to the nearly 800,000 people in the District of Columbia expressed in the report. Let me give just one glaring illustration. The reports states:

> It is not the Congress, or the Federal establishment, which is the interloper here—as some District spokesmen maintain—but rather the thousands of persons who have swarmed here, most of whom add little or nothing to the day by day operations of the Federal government, who are "local" in character and needs, who are the intruders and who are not vital to the Federal government's operations.

I think that I know my colleagues on the committee well enough to say that most would not join in characterizing the people of the District as "interlopers" or "intruders." I believe that members of the committee share a concern about the city and its people that this statement does a grave injustice to.

Now the committee staff suggests that by comparison with other cities, District government is extravagant and irresponsible. To substantiate their argument they cite statistics that are grossly misleading and misrepresentative of the truth.

The staff states that the District's budget, general expenditures, annual payroll and number of employees are higher than other cities.

This is a gross distortion of the facts. It is true that the District government employs more people than other cities of similar size, but this completely ignores the fact that the District operates as a county, city, State, and special jurisdiction government. The truth is that most cities in their comparisons do not carry full responsibility for education, public welfare, health, and urban development employees on the local city payroll. Such employees are generally paid by either State or county governments. All of these are in the District budget. Let me cite some specific examples. The staff reports that District expenditures for highways were higher than any other city but New York. The truth is, however, in the District, highway expenditures include not only the construction, maintenance, and operation of city streets and bridges, but also the interstate system and other major arterials which are normally the responsibility of a State highway department.

The staff reports that police expenditures also are higher in the District of Columbia. But the truth is it is misleading to compare per capita costs of District of Columbia police services with San Antonio, as the staff report does—police services relate not only to the resident population—as implied by a per capita measure of costs—but also to approximately 300,000 nonresident employees, visitors, businessmen and shoppers from the metropolitan area, and almost 18 million tourists per year. In addition, District of Columbia police are called upon in times of national demonstration—for just the 1 week of demonstrations in May 1971, the cost of police services was $3,586,836. That is the truth and it is highly misleading to add such costs into a per capita cost relating to District of Columbia residents. Also, a significant reason for the increased size of the police budget in recent years is the addition of 2,000 police officers to the force pursuant to President Johnson's call in May 1968 and President Nixon's crime program in 1970. The cost of these additional officers is almost $20 million annually.

The fact is that a joint study undertaken by the District government and the Census Bureau shows that when only municipal functions are considered the District's level of local government employment is not out of line with other cities. Indeed, the District employs fewer employees with strictly local functions on a per capita basis than Boston—56 per 1,000 population—or Baltimore—51—about the same number as Atlanta—49—and slightly more than Cleveland—44—or San Francisco—45. The District's figure is 49 employees per 1,000 population. That, gentlemen, is the truth about the city. That is why it is not right to base your judgments on the misleading statistics provided you by the committee staff.

The committee staff alleges that the District spends more money per pupil on education than any other city in the country. This is simply not true. The committee report cites the figure of $13,000 per student. The actual figure is closer to $1,300 per pupil. Now let me tell you the whole truth about our school spending. The truth is that last year, the

Distric spent $971 per pupil based on operating expenses on an average daily membership. This compares to a 1971 figure of $1,256 in New York City, $1,109 in San Francisco, $1,073 in Philadelphia. The District unfortunately is not No. 1, but is in line with spending elsewhere.

The staff says that the District government receives more Federal grants per capita than any other States. Again, this simply is untrue. The basis for this statement is apparently a report issued by the U.S. Treasury Department. But anyone who has actually examined the report ought to know that the Treasury report covers grants to all recipients located in the District whether or not the grants benefit the people of the city. That is the truth.

For example, the Treasury report incorrectly credits the District of Columbia with a $27.8 million grant for the Teacher Corps and the education profession development program. See page 32 of House District Committee report. According to staff members of the Office of Education, $27.2 million of the total grant represents an advance payment from the Office of Education to the National Institutes of Health. NIH was to use these funds to make later grants to all the States. Because the official government address of NIH is in the District of Columbia, a computer credited this advance payment to the District. This entry is clearly an error and can in no way be considered as Federal grant assistance to the District of Columbia.

In addition, the Treasury data most likely contain grants to groups that are based in the District but that are actually national in scope so that the funds they receive are spent thoughout the country. This is true of national organizations with headquarters in the District. The only truly reliable figure is direct Federal assistance to the District government. When this figure is isolated, the per capita level falls to $192, which is considerably below the essentially meaningless figures thrown around in the committee report. Using this figure, the District is not No. 1, but more in line with other States. This is surprising since by every standard the District should be first in Federal grants because it is the only totally urban jurisdiction among the States. It is well known that urban jurisdictions generally receive a higher proportion of Federal aid because of the way Federal programs are structured.

The committee staff suggests that the District is a welfare "heaven." The District, like other cities, has suffered large increases in welfare. But the truth is that even today, the District has a lower percentage of its population on welfare than several other cities. The figure for the District as of February, 1971 was 10.5 percent. This compares with 16.6 percent in Boston, 15 percent in New York, 15.2 percent in Baltimore, 12.7 percent in Los Angeles.

In short, the District government is not extravagant or financially irresponsible. Such a charge is utter nonsense, and anyone who takes the trouble to look at the facts knows that. I am afraid that the staff report accompanying this bill does not state the truth in this regard. Since 1966, the District budget has increased roughly 131 percent. This compares to 183-percent increase in New York State's budget between 1965 and 1972, and increases of 110 percent in Atlanta, 109 percent in Baltimore, and a similar boost in New York City. The fact of the matter is that almost all local governments have faced dramatic budget increases, and the District is no different.

It is important to remember that the people of the District carry their own weight in financing the District budget. Based on the 1971 budget, the people of the District pay 70 percent of the costs of local government. As is true in all of your districts, the people here have been taxed to the limit. Even more significantly, further tax increases would weaken the District's competitive position in relation to the surrounding jurisdictions, threatening to drive business out of the city and further eroding the District's tax base. As matters now stand, the District taxpayer pays slightly more taxes than the Virginia taxpayer and slightly less than the taxpayer in Maryland.

The District's operating budget is an austerity budget reflecting primarily mandatory increases over the 1971 level. There was and is no flexibility to provide for new and badly needed programs in such areas as education, health, corrections, and housing. In short, the budget was and is absolutely bare bones.

I cite these facts not to claim that the District government is perfect or cannot be made more efficient or less wasteful. Obviously, improvements can be made. In the last year alone, the District government has made some progress. Over 1,000 employees have been trimmed from the employment base. In addition, the District governent has embarked on a rigorous program to cut 5 percent of its employment base over the next 2 years.

I do not believe these are the earmarks of an extravagant or irresponsible government. But this is a government that cannot afford urgently needed new programs, a government facing a huge housing crisis, or a government facing a health crisis, and a government facing an education crisis. But it has no funds to tackle these problems head on. The Federal payment approved by the committee will not make inroads into solving these problems; it will simply allow the District government to limp along with most of its critical needs still unmet. But the additional revenue will help in making sure that no new crises develop, as would certainly be the case if any lower amount of Federal payment were to be provided. I hope you will join me and the overwhelming majority of the members of the District Committee in approving the $44 million increase in the Federal payment.

At the appropriate time in these proceedings, I shall ask that the detailed documentation supporting my statement be placed in the RECORD.

Mr. CABELL. Mr. Chairman, I yield 3 minutes to the gentleman from Missouri (Mr. HUNGATE).

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

Mr. Chairman, the Committee on the District of Columbia, as I have remarked before in the House, is unique in that I think everybody in the House and in the media knows how to run the District of Columbia, but nobody wants to serve on the committee. So we suffer from that, I suppose, and the attitude as to the situation in Washington as it affects your home is a great deal like having the measles twice, because there is not a great deal of political credit received at home for what you do for the District of Columbia, although probably there should be more national concern.

I would like to say that the chairman of the committee, the gentleman from South Carolina (Mr. MCMILLAN) and the ranking minority member, the gentleman from Minnesota (Mr. NELSEN) have put in a great deal of time and effort on this work, and they work on it I think in a rather nonpartisan way. I will also say that you might be surprised that there may be more due process in the Committee on the District of Columbia, and certainly more written rules, than there are in some of the other committees of the House. Again I would compliment the gentleman from Minnesota (Mr. NELSEN) on the bipartisan and dedicated way in which he approaches the problems in the District.

I think it should also be said that, since we have a nonvoting Delegate from the District (Mr. FAUNTROY) on this committee, that it has improved the work of the committee. It has made the work of the committee, I believe, somewhat easier and somewhat more useful, because we have a man in there with us who is responsible directly to the people of the District, and I believe this gives a far more balanced approach on the problems here.

Insofar as the District taxation and the Federal payment and the Federal buildings are concerned, I have a standing offer from my district to take all of the Federal buildings without payment. I think we can work it out. Certainly there would be less difficulty in building the subway if we select some of the areas we have in my district.

As to the various parts of the bill:

Mr. Chairman, section 101, the part dealing with inheritance taxes, I think is a helpful provision.

Section 201, the provision involving the business inventory taxation problem, I think that should be supported by the House.

The motor vehicle fuel tax, section 301, I would urge support of that.

And support section 401, the corporate income tax, also.

Then we have the special fund borrowing authority, and while I was not on the subcommittee that took the testimony on this matter, I would rely on the judgment of the committee in this connection.

The principal thing I see here is I think the size of the Federal payment is too large, and I think that the reciprocal tax should have been adopted and should be adopted. The judgment of the chairman of the subcommittee, the gentleman from Texas (Mr. CABELL), I think should be

one that would be most respected. He is one of the soundest fiscal conservatives in this House, and he recommended that we take this action, by adopting the reciprocal or commuter tax.

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

Mr. CABELL. Mr. Chairman, I yield myself the remaining time.

Mr. Chairman, I would first like to address myself to the gentlemen on the other side who have purported to be the watchdogs of the Treasury, but let me say that a great deal of the hue and cry for more money for the District has come from that side of the aisle.

Next, with reference to this old saw we have heard so many times about this being in the nature of a State rather than a municipality:

For your information, I would refer you to the report where it compares the total employment, both State, municipal and county of 14 subdivisions of States of 1 million or under population, and you will find the District of Columbia ranks No. 2 in the total number of employees insofar as State operations are concerned. Those are States with hundreds of thousands of square miles and we have 10 miles square.

As for this business of—oh, well, we get nothing out of these Government buildings—that again, as Mr. HUNGATE mentioned—there are many, many cities that would be delighted to have that payroll in their community. There are many that would like to have the impacted aid school funds that would accrue, because of that.

There are many of them that would like to have these buildings even if they did not produce the tax revenues but would be buying their water and helping to amortize their water and sewer bonds and that would use great quantities of electricity from their local power company and who would be paying gross receipt taxes and pay other taxes on the utilities use for heating, lighting, cooling, and ventilation of these buildings.

So I ask you, friends, do not get sucked in by all of these tears about the unusual expenses involved in the District of Columbia.

Also I would call your attention to the fact that in addition to the budget, the appropriated budget of almost a billion dollars, the District of Columbia receives from the Federal Government slightly more than $500 per capita in direct Federal grants in 1970 that do not go through the appropriation process. That is more than double the amount per capita that any other State in the Union gets.

The next is West Virginia at less than $200 per capita.

So, gentlemen, all we are asking when we try to talk a little economy into these people is to stop this constant escalation of their costs. We are burdened with it at the moment and we are trying to do the best we can.

The CHAIRMAN. All time has expired.

Under the rule, the Clerk will read the bill by title.

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

The CHAIRMAN. The Chair will count. Sixty-eight Members are present, not a quorum. The Clerk will call the roll.

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

[Roll No. 381]

Abourezk	Frenzel	Pepper
Adams	Gettys	Pirnie
Alexander	Goodling	Powell
Archer	Gray	Preyer, N.C.
Ashley	Gubser	Railsback
Barrett	Halpern	Riegle
Bell	Hanna	Rosenthal
Blackburn	Harsha	Schwengel
Blanton	Hébert	Seiberling
Blatnik	Hillis	Smith, Iowa
Byrne, Pa.	Howard	Springer
Carey, N.Y.	Jones, Ala.	Stanton,
Chappell	Kazen	J. William
Chisholm	Kee	Steele
Clancy	Keith	Stephens
Clark	King	Taylor
Clawson, Del	Kuykendall	Teague, Tex.
Clay	Landgrebe	Terry
Conyers	Landrum	Thompson, N.J.
Corman	Link	Veysey
Dickinson	Lloyd	Vigorito
Diggs	Long, La.	Whalen
Dingell	McClure	Whitten
Dow	McKay	Widnall
Dowdy	Macdonald,	Wilson,
Dulski	Mass.	Charles H.
Edwards, La.	Madden	Wright
Eilberg	Melcher	Wyman
Eshleman	Metcalfe	
Evins, Tenn.	Mills, Ark.	
Ford,	Murphy, N.Y.	
William D.	Pelly	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MCFALL, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 11341, and finding itself without a quorum, he had directed the roll to be called, when 341 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

H.R. 11341

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 "District of Columbia Revenue Act of 1971".

TITLE I

AMENDMENTS TO DISTRICT OF COLUMBIA INHERITANCE TAX

SEC. 101. (a) Section 1(a) of article 1 of title V of the District of Columbia Revenue Act of 1937 (D.C. Code, sec. 47–1601) is amended to read as follows:

"(a) All real property and tangible and intangible personal property, or any interest therein, having its taxable situs in the District of Columbia, transferred from any person who may die seized or possessed thereof, either by will or by law, or by right of survivorship, and all such property, or interest therein, transferred by deed, grant, bargain, gift, or sale (except in cases of a bona fide purchase for full consideration in money or money's worth), made or intended to take effect in possession or enjoyment after the death of the decedent, or made in contemplation of death, to or for the use of, in trust or otherwise (including property of which the decedent has retained for his life or for any period not ascertainable without reference to his death or for any period which does not in fact end before his death (1) the possession or enjoyment of, or the right to the income from such property, or (2) the right, either alone or in conjunction with any person, to designate the persons who shall possess or enjoy the property or the income therefrom), to the father, mother, husband, wife, children by blood or legally adopted children, or any other lineal descendants or lineal ancestors of the decedent, shall be subject to the tax as follows: 1 per centum of so much of said property as is in excess of $5,000 and not in excess of $25,000; 2 per centum of so much of said property as is in excess of $25,000 and not in excess of $50,000; 3 percentum of so much of said property as is in excess of $50,000 and not in excess of $100,000; 5 per centum of so much of said property as is in excess of $100,000 and not in excess of $500,000; 6 per centum of so much of said property as is in excess of $500,000 and not in excess of $1,000,000; and 8 per centum of so much of said property as is in excess of $1,000,000."

(b) Section 1(b) of article 1 of title V of the Act is repealed, section 1(c) of article 1 of title V of the Act is redesignated as (b), and is amended to read as follows:

"(b) So much of said property so transferred to any person other than those included in paragraph (a) of this section and all firms, institutions, associations, and corporations shall be subject to a tax as follows: 5 per centum of so much of said property as is in excess of $1,000 and not in excess of $25,000; 10 per centum of so much of said property as is in excess of $25,000 and not in excess of $50,000; 14 per centum of so much of said property as is in excess of $50,000 and not in excess of $100,000; 18 per centum of so much of said property as is in excess of $100,000 and not in excess of $500,000; 22 per centum of so much of said property as is in excess of $500,000 and not in excess of $1,000,000; and 23 per centum of so much of said property as is in excess of $1,000,000."

Mr. CABELL (during the reading). Mr. Chairman, I ask unanimous consent that title I be considered as read, printed in the RECORD, and open to amendment at any point.

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

There was no objection.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: Page 1, line 8, strike out "Section 1(a)" and insert in lieu thereof "Paragraph (a) of section 1".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 2, line 3, insert "SEC. 1.".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 3, line 9, strike out lines 9 through 11 and insert "(b) Paragraph (b) of such section is repealed and paragraph (c) of such section is amended to read as follows:"

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 3, line 14, strike "(b)" and insert "(c)".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 3, line 19, strike out "11" and insert "10".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 3, line 24, strike out "23" and insert "22".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 4, after line 3, insert the following:

"(c) The amendments made by this section shall apply with respect to property in the estates of persons who die on or after the date of enactment of this Act."

The committee amendment was agreed to.

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

Mr. Chairman, I take this time before we get into the meat of the bill to call the attention of the committee to a few items.

First of all, you will have heard quite a bit about the report. You notice I did not say the committee report—I think it is more accurate to call it a staff report.

I would urge the members of the Committee to take what you read in the report with a special grain of whatever you take reports with because there are a substantial number of errors in the report.

For example, you will find on page 18 that the population of Washington, D.C., decreased 63 percent in 10 years. At the very least, there is a misplaced decimal point there.

Or you will find on page 37 the per capita expenditure on pupils for public school education is $13,000. Once again, I think it is a case of misplaced emphasis on decimal points.

I cite only these two examples to underscore the irony of a report which complains about inefficiency of a governmental unit and then turns out to be much less than totally efficient when it comes to writing a report. But I cite the examples mainly to urge members to view with caution some of the comparisons made in there.

First of all, in most places the report is comparing apples with oranges. We are talking about a stateless city and comparing it with cities that are parts of counties and parts of States.

Second, I would point out to those of you who come from urban areas that Washington is in many instances unique and in many places it suffers from the same kind of problems that grieves every other part of urban America. I refer to a tremendous increase in problems that increase geometrically even as their populations decline.

I would point out, for example, that just as the Washington budget has gone up, so, when you look at a city like Dallas, you find that their budget has gone up even more drastically. Even a town like Florence, S.C., has a budget that has increased higher than has the Washington budget.

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

Mr. MIKVA. I yield to my distinguished chairman.

Mr. McMILLAN. The gentleman is pointing out errors in the report and I certainly agree with him. I think every chairman in this House would agree with me that the Government Printing Office has made more errors this year in reports and in reprinting bills than at any time in its previous history. I think about two-thirds of these errors are Government Printing Office errors.

Mr. MIKVA. I thank the gentleman.

Mr. Chairman, let me say one last thing. At the appropriate time, I intend to offer an amendment, referring to one of these wonderful riders in the night: Mine is not to the so-called Providence Hospital rider, but there are three riders on this bill, ladies and gentlemen, and they all suffer from the same set of problems. Some may be not quite as notorious as others, but none of them have had the benefit of hearings. None of them can really stand on their own bottoms which is why they are being offered as riders to a revenue bill.

This House has expressed itself quite recently and frequently on the problem of germaneness, it is kind of odd that we should place in a revenue bill several amendments or riders that have nothing to do with revenue.

I intend to offer a motion to strike one of them and I am glad that my colleague, the gentleman from Indiana, will offer a motion to strike another and I am relieved to know that the chairman of our committee intends to offer a motion to strike the third.

I am afraid that even though some have received more newspaper publicity than others, all of them are riders in the night and ought to be defeated. If they are good ideas, they ought to come out as separate bills from the Committee on the District of Columbia.

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

Mr. Chairman, nearly a year ago considerable publicity was given in the District of Columbia to the treatment of children at the facility known as Junior Village. Of particular concern to some members of the District of Columbia Committee was the coldness of institutional care for very small infant children who, under the existing situation, were and are entering Junior Village as early in life as 6 months of age.

After protracted ad hoc hearings, before the Congress had actually organized its committees, and after considerable negotiation with the District of Columbia government by those of us who were particularly concerned about this problem, the city council of Washington, D.C. eventually enacted a plan for phasing out the coldness of institutional care for children between the ages of 6 months and 6 years at Junior Village. It is this particular group of children that I think we should be particularly concerned about.

Therefore, I was more than just a little distressed to hear on the news this morning that a very high-ranking official in the District of Columbia government indicated a strong probability that the plan for phasing out that activity of Junior Village relating to 6-year-old children and younger would not be carried out, notwithstanding the fact that the city council had very thoughtfully studied the problem and given a very reasonable phasing-out plan to be followed. For that reason I hope that this official will reconsider, and consider that there is only one thing to be said for any institutional care, really, but particularly the kind of care that of necessity we found at Junior Village for those children in the very early years of life.

There is only one thing that can be said for it and that is, "it is wrong."

Therefore, I hope the District of Columbia government will react to the needs of these children and will phase out those activities at Junior Village that relate to them. If they do not, then when the appropriation bill comes before the Congress, I shall offer an amendment to the bill which will require them to do so. If they say they do not have enough money, I suggest that a chauffer be put on sabbatical or maybe even that a limousine of the District of Columbia government be sold. But let us put first things first, and I mean these young children. This has more to do with future crime and future welfare than many people might suspect.

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

Mr. Chairman, although I am not a member of the District of Columbia Legislative Committee, I am a member of the District of Columbia Appropriations Committee, and compliment my colleague, Chairman McMILLAN, and his committee for this outstanding report. There may be a few insignificant mistakes in the report, but when you get to the meat of the thing, you get the true facts.

The chairman has done an outstanding, masterful job in bringing these facts to the attention of this body. I just wish there were more Members present to hear it.

I want to take a moment or two of your attention to bring a few things before the Committee that are pertinent to the bill before us today.

On July 1, 1970, the debt-infested Washington, D.C., government, at the utopian urging of welfare apologists and umbilical-cord philosophers, eliminated the investigative Department of the city's Social Services Administration. The investigators had reviewed the eligibility of welfare applicants and recipients to insure that only the needy were collecting public funds. At that time, fewer than 20,000 welfare cases were receiving about $35 million a year in tax money.

Since welfare investigators were expunged from the city's budget, the num-

ber of welfare cases has jumped astronomically, even though the District's population declined in the same period.

One year later welfare cases had increased about 50 percent to just under 30,000 at a cost of over $57 million. By September of this year the caseload catapulted to more than 37,000 with an estimated yearly outlay of $76 million. District officials expect the welfare cases to exceed 50,000 with an estimated expenditure of close to $124 million by fiscal year 1973.

Mr. ZION. Mr. Chairman, would the gentleman yield briefly?

Mr. SCHERLE. I yield to the gentleman from Indiana.

Mr. ZION. Mr. Chairman, I would comment to the gentleman in the well that much of this welfare is apparently elective. I live in an apartment hotel, and I am unable to find anybody to come down and dust and make the beds. I find in the newspapers many job opportunities. I suspect the laboring people of this country who pay the taxes would have less obligation to the District of Columbia if the residents here were willing to do some more work for themselves.

Mr. Chairman, I appreciate the comments of my friend, the gentleman from Indiana. When we make welfare so lucrative that people do not have to work, they are not going to work. That is the problem we have in the District of Columbia.

Based on the current average of 2.5 persons per case, the number of welfare recipients in the Nation's Capital will then total more than twice the population of Council Bluffs, Iowa, which is the largest city in my district.

These catastrophic figures clearly indicate the urgent need to reinstate the investigative Department. It is evident that the laxness of the city's supervision of welfare cases has encouraged people of doubtful eligibility to apply for relief. The bread-and-butter issue is that welfare "rolls" are made with the taxpayer's "dough," and they are entitled to a reasonable assurance that their money is not being squandered on cheats.

It is not only the taxpayer's interest which is at stake here, however. Limited fiscal resources have forced the District of Columbia government to cut back the individual welfare recipient's allotment to 75 percent of need. Thus eligible beneficiaries are as much the victims of welfare fraud as the hapless taxpayers. If the cheaters could be weeded out, the available funds could be more equitably and honestly distributed, and the legitimate interests of both groups would be better served.

I would like to point out further what took place in the District schools last year. In the 1970 fiscal year, the repair bill for broken windows alone amounted to $732,558.

There were 391 illegal entries, and $350,000 worth of equipment disappeared, such as typewriters, shop tools, and adding machines. Over $1 million was lost in 1 year, money that could have been spent to purchase books or pay teachers' salaries.

I would like to call attention to crime in District of Columbia which has moved off the streets and into the Government's own office buildings. Violent assaults are on the increase. Just recently a Government executive was stabbed to death in the men's room of the New Executive Office Building, and two women were raped in the White House area restrooms of a building occupied by Federal agencies. Thefts are up, too. Last year over one quarter of a million dollars worth of equipment and $150,000 in cash were taken from Federal employees in their own offices. At the Department of Agriculture, $7,918 worth of office equipment has been stolen within the last 2 months alone. Most of the items were thousand-dollar calculators, but electric typewriters, dictating machines, and computer tapes were also victims of the heist.

I have in my hand a copy of the Washington Daily News, dated November 4, 1971, with a headline which reads "Murder Pace Here 'Epidemic'" and "7-in-10 D.C. Slay Suspects Go Free."

To quote from the article, by Patrick Collins:

The homicide rate in the District is more than twice that of New York City, and the man who kills here has a seven out of 10 chance of getting away with murder.

Though the District homicide squad boasts of the fact it solves 90 percent of its cases, only half of the suspects captured get indicted and only a third of the suspects indicted get convicted.

So far this year homicides (236) have passed last year's total and are increasing at a rate that could match or surpass the record 292 homicides recorded here in 1969.

I will place this article in the RECORD, along with a few others which give a true picture of life in Washington, D.C. Many more could be added to the list.

The material mentioned follows:

[From the Washington Daily News, Nov. 4, 1971]

MURDER PACE HERE "EPIDEMIC": 7-IN-10 D.C. SLAY SUSPECTS GO FREE—BIGGEST DEATH CAUSE IN 15-TO-44 AGE GROUP: HOMICIDE

(By Patrick Collins)

The homicide rate in the District is more than twice that of New York City and the man who kills here has a seven out of 10 chance of getting away with murder.

Tho the District homicide squad boasts of the fact it solves 90 per cent of its cases, only half of the suspects captured get indicted and only a third of the suspects indicted get convicted.

So far this year homicides (236) have passed last year's total and are increasing at a rate that could match or surpass the record 292 homicides recorded here in 1969.

The Health Department, which charts the mortality rate, says that District residents between the ages of 15 and 44 have a better chance of being murdered than of being killed by a heroin overdose, automobile accident or any natural cause.

The city medical examiner has called the homicide rate "epidemic" and the U.S. Attorney calls it "alarming."

These are some of the findings of a two-week study of District homicides conducted by The Washington Daily News.

The study shows:

In an eight-year period here 1,361 homicides were reported and police say they solved 1,230 of them by arrests. But of the 1,230 homicide suspects arrested 534 were never indicted by a grand jury and another 115 were released after the indictment when the U.S. Attorney decided the case was not strong enough to take to court.

The U.S. Attorney's office has obtained convictions of only 444 of the 1,230 homicide suspects.

The District averages 37 homicides per 100,000 people while New York reports 17 homicides per 100,000.

Police say murders are becoming more complicated and in some cases they say murders are planned in great detail. They say in the past the majority of homicides were committed by suspects who were related to or knew the victim, but say this is not the case today.

In the eight years from 1963 to 1970 the number of murders has increased 250 per cent while the number of convictions has climbed 95 per cent.

MATTER OF EVIDENCE

The disparity between the number of homicide arrests and the number of homicide convictions is explained as "a matter of evidence" by U.S. Attorney Thomas Flannery.

"There is an obvious difference of evidence required to establish probable cause for arrest and the evidence required for indictment and the evidence required to convict beyond a reasonable doubt."

To illustrate this, one attorney said if a murder suspect confesses police have probable cause for arrest. But if the confession is the strongest piece of evidence the government has "it's a good possibility that the case will never go to trial because it's almost impossible to get the confession admitted as evidence in court. So the case is dropped."

Mr. Flannery said his office "must traditionally assemble a heavy burden of proof," as to the guilt of the suspect. "The murder cases are more complicated, the murder suspects more sophisticated and the trials more difficult.

"I'm proud of my staff and the manner in which they prosecute murders and all the cases—despite the handicaps we have in assembling the evidence."

Mr. Flannery refused to discuss the 1966 Miranda decision—which gives the suspect the right to remain silent—a decision which many police officers feel "handicaps" their investigation of the case.

The 444 convictions in the eight-year period, Mr. Flannery said, do not include some 50 cases where the suspect was found not guilty by reason of insanity. "That's as good as a conviction, because the man does not return to the street."

"The murder rate is an alarming fact," Mr. Flannery said, "but it is a situation that exists in most major urban areas. We have an excellent police force and an excellent homicide squad and frankly I feel safer walking the streets here than any of the other cities I have visited."

The low conviction rate, Mr. Flannery said, "is one of the prices we pay for a free society . . ."

Lt. Joseph O'Brien, who spent 11 years as a homicide detective before becoming chief of the squad last June, said he feels the low conviction rate is not the fault of the homicide squad.

"If we have enough evidence to make an arrest," Lt. O'Brien said, "there should be enough evidence to get a conviction. When we go to court we present the facts we have. There is no effort to stage the case. We do get some weak cases but most of them are solid."

SENSELESS, IMPORTANT

"All homicides are senseless," Lt. O'Brien said. "They are all of great importance to some one. Every victim has a loved one somewhere no matter who he is. And all our homicides get the same amount of attention."

Investigations of homicides have become more difficult, Lt. O'Brien said, and last year five more detectives were added to the 34-

man squad in an attempt to lighten a work load which kept the homicide detectives on the job for 13 hours a day.

"The job is a hard one," Lt. O'Brien said. "The cases are more complicated. It used to be when we arrived on the scene of a homicide the suspect would still be there with the gun dangling from his hand. Now—more often than not—that suspect ducks out the back door, gets rid of the gun and gets out of town."

Increased drug traffic and the easy availability of guns are two causes for the increase of homicides according to Lt. O'Brien. "If there were not as many guns available there would not be as many homicides. But, on the other hand, there are a lot of people who two years ago would have been homicides. The hospitals are saving more potential homicides than people realize."

Describing the number of homicides here as "astronomical" and the rate of murder as "epidemic," District Medical Examiner James Luke says the right people don't care about the homicide problem.

GHETTO PROBLEM

"Homicide is still a ghetto problem," Dr. Luke said, "Like the drug problem was years ago. There have ben very few homicides of whites here and until the homicides affect the people of influence, the people who make decisions, nothing will be done. Homicide is a problem that has not been dealt with at all.

"Our job is to have a dialogue with the dead," Dr. Luke said, "and many people would expect us to be hardened to it. But these are real people who are brought in here. We see their faces. We see their families and we see a potentially productive life wiped out each day. It's not a game. The more we see, the more we become sensitized to the problem."

Dr. Luke says that, by far, hand-guns are used in most of the murders. "There is something impersonal about a gun. When a person uses a gun he doesn't think of himself as the killer. He thinks the gun did it. We've got to get the guns off the street and people who don't believe this are just looking at the leaves.

"Each day residents of this city face potential violence . . . Something must be done."

UNSOLVED CASES

This year 236 homicides have been reported, six more than the 1970 total of 229. Of the homicides reported this year, 24 remain unsolved.

Here are four of the homicide squad's most puzzling unsolved cases.

Diane Johnston, 27, wife of a laundry truck driver who was kidnapped along with her husband in the parking lot of Hogate's Restaurant.

The gunman forced them to drive to an alley near The Evening Star building. Mr. Johnston was pinned to the ground by one of the men while the other tied Mrs. Johnston's arms and neck and tried to sexually assault her. Then the two ran off.

Strangled by the rope around her neck, Mrs. Johnston was pronounced dead in the alley.

Since April, four young District girls have been found dead on the shoulders of area highways.

Carol Spinks, 13, of 1058 Wahler Place se who left home April 30 to buy TV dinners for her mother, was found near the junction of the Anacostia Freeway and the Suitland Parkway.

Darlenia Johnson, 16, of 3922 Wheeler Road se, was found dead in July near the Naval Research Laboratory after she left home to go on an overnight trip.

Brenda Fay Crockett, 10, 2214 12th Place nw, whose body was found off Route 50 near the Kenilworth-av exit in July.

Nenomosia Yates, 12, of 4952 Benning Road se, found alongside Southern-av on Oct. 1.

Police suspect that a "freeway Phantom" has lured these girls to their death, but they say there are really no solid clues.

Ritchie Reed, 30, economic analyst found stabbed 33 times in the washroom of the New Executive Office building with a "racial note" left beside his body.

Police say they have systematically eliminated all the obvious suspects in the case. They say there were no eyewitnesses to the stabbing and no clues other than the note which was scrawled on a piece of notebook paper.

Two Australian girls bound, gagged and shot in the head, found dead in their apartment at 2714 Quarry Road nw. The police say the girls had been dead for at least four days.

The police say they have uncovered no motive, no clue for the girls death.

"Some of these murders may seem easy," said Lt. O'Brien. "But none of them are easy. They're different, they're complicated and they're senseless. We can't predict them, we can't prevent them. We just work like hell to try and solve them."

UNSOLVED 1971 MURDERS

Date, name, location, and cause.

Jan. 19—Satterwhite, Russel D.—3727 Jayst ne, Shooting.

Jan. 20—Lee, Rudolph—#11 Ridge Road se, Shooting.

Jan. 28—Williams, Idell A.—1236 11th-st nw, Beating.

Feb. 17—Hymes, Victor—907 Florida-av nw, Shooting.

April 7—Lowery, Simon—416 21st-st ne, Beating.

April 12—Stroud, Amy—646 Newton Place nw, Stabbing.

April 13—Williams, James E.—1126 11-st nw, Stabbing.

May 1—Gibson, John—1908 17th-st se, Beating.

May 11—Sprink, Carol—Route 295, Strangulation.

May 17—Brown, Marshall—1326 U-st nw., Shooting.

May 19—Dick, Harry—1734 20th-st nw, Strangulation.

May 23—Lewis, Nathan—311 L-st se, Shooting.

June 9—Smith, Leslie—1733 N-st nw, Stabbing.

June 25—Frye, George—2615 Bladensburg Road ne, Beating.

June 25—Jones, Warren—922 New York-av nw, Stabbing.

June 26—Johnson, Diane—120 Canal-st Strangulation.

July 2—Kotler, Stanley—1269 23rd-st nw, Shooting.

July 23—Messick, Frederick—473 I-st nw, Beating.

Aug. 9—Proctor, Wilton—3424 A-st se, Shooting.

Aug. 14—Kemtz, Ralph—Columbia Island, Shooting.

Aug. 16—Stankovich, David—1255 New York-av nw, Beating.

Aug. 28—Sanchez, Gilberto—1814 Irving-st ne, Shooting.

Aug. 28—Sanchez, Teresita—1814 Irving-st ne, Shooting.

Sept. 2—Brady, Christopher S.—Bldg. 58, Navy Yard, Stabbing.

Sept. 7—Jackson, Albert W. Jr.—1317 South Capitol-st, Shooting.

Sept. 8—Parham, Abraham M.—Portland-st and South Capitol-st, Shooting.

Oct. 1—Reed, Ritchie H.—726 Jackson Place nw, Stabbing.

Oct. 17—Martin, James—4504 Lee-st ne, Shooting.

Oct. 17—Pannell, Normal—12th-st and U-st nw, Shooting.

Oct. 26—Wia, Peter D.—1447 Chapin-st nw, Strangulation.

Oct. 27—Lee, John P.—Seventh-st and North Carolina av se, Beating.

Nov. 2—Tapp, Sharon—2714 Quarry Road nw, Shooting.

Nov. 2—Fraham, Sheral—2714 Quarry Road nw, Shooting.

Nov. 3—Davis, Allen—Harrington Motel, Shooting.

CHARTING THE COURSE OF MURDER

Fiscal year	Homicides reported	Homicide arrests	Homicide indictments acted on by court	Homicide indictments dismissed by U.S. Attorney	Homicide convictions
1963	82	81	61	9	40
1964	109	106	79	17	56
1965	163	156	81	21	45
1966	157	148	67	11	44
1967	158	128	66	6	44
1968	179	162	128	17	83
1969	233	193	99	17	55
1970	280	256	115	17	77

Note: These statistics were prepared from information provided by the District Police Department and the Administration Office of the U.S. Court.

They represent a survey of 8 fiscal years from 1963 through 1970.

[From the Washington Daily News, Nov. 9, 1971]

THIEVES SCORE IN PROPERTY AND CASH—GOVERNMENT OFFICES ARE LOOTED

(By Patrick Collins)

Eluding a complex network of guards, alarms and closed circuit television, sneak thieves have walked off with more than a quarter of a million dollars of equipment from government offices and snatched another $150,000 from federal employes in the past year, according to a Washington Daily News survey.

From October, 1970, thru this September the federal government reported 2,493 thefts including $383,033 in property and cash from its offices and employes.

It was in October, 1970, that the Federal Protective Service, charged with the security of the 501 government buildings here, took "sweeping steps" to safeguard federal equipment and employes.

To tighten security here the protective service·

Added 200 guards to its force of 2,000 men.

Began "intensified" four week training programs for its guards.

Closed off all unnecessary entrances to government buildings.

Began package inspection at the exits to the buildings.

Installed alarms and closed circuit cameras in the federal credit unions.

Increased the number of patrol cars, walkie talkies and building patrols.

As a result of this action, the Federal Protective Service says, the number of thefts of government property this year has dropped 31 per cent and the number of personal thefts has fallen 10 per cent.

"But they still get to us," a spokesman for the protective service said. "You'll never put a stop to all the theft—people being people—all you can do is concentrate on keeping the rate of theft down. . . ."

IBM—HOT

"Take the IBM typewriter," he said. "It's a hot item and I don't know where they are going. It's worth $400. It's big and it's hard to get out of the building. Yet they still disappear. It gets aggravating."

Eventually, the Federal Protective Service says it hopes "to change the image of the routine old-time guard to a younger, smarter and better trained officer—like a Metropolitan policeman."

It says that in addition to securing property, the protective service is responsible for the safety of federal employes.

The service says it employs five female guards to patrol the women's washrooms. "Now obviously that's not enough to give protection in all the bathrooms," the spokesman said. "But we hope to get more washroom guards soon."

Last week there were two rapes in women's rooms in White House-area buildings occupied by federal agencies, and a government executive was stabbed to death recently in the men's room of the New Executive Office Building.

LOCAL CASH CROP

Here is a list of items stolen from the Agriculture Department in two months:

Date, Item, and Cost.
Aug. 2, Singer Calculator, $779.
Aug. 2, Cannon Calculator, $880.
Aug. 3, Monroe Electronic Calculator, $980.
Aug. 4, Remington Calculator, $250.
Aug. 6, Electronic Desk Calculator, $250.
Aug. 10, Smith-Corona Electronic Calculator, $612.
Aug. 13, Olivetti Electric Typewriter, $310.
Aug. 18, Magnetic Computer Tape, $15.
Aug. 18, Olivetti Calculator, $1195.
Aug. 18, Olivetti Calculator, $790.
Aug. 18, Olivetti Calculator, $790.
Aug. 21, IBM Portable Dictating Machine, $25.
Aug. 26, Monroe Adding Machine, $250.
Sept. 4, Norelco Dictating Machine, $80.
Sept. 9, Cassette Recorder, $122.
Sept. 25, IBM Electric Typewriter, $486.
Sept. 25, Portable Tape Recorder, $25.
Sept. 28, Norelco Tape Recorder, $69.
Total, $7,918.

I am not completely critical. This is a Federal City which belongs to every person in the United States. It should be a model city.

But, Mr. Chairman, there is something wrong with the operation of this government in Washington, D.C. Why in the world, with a declining population, should we be forced to increase the budget by $50 million? Can anybody give me a good reason for that I should like to know?

I compliment the Metropolitan Police and the police on the Hill. They are placed in an untenable position, largely because of the actions of the courts. However, we can not solve the problems of Washington with money alone. We have laws on the books. We have to enforce them.

This $50 million I believe is in excess by at least 50 percent of the amount needed. It is my intention, when the proper portion of the bill is reached, to offer an amendment to cut this amount in half.

The city officials in Washington should reexamine their record and do a better job. The money is provided not only by Washington, D.C., taxpayers, but by all the citizens of the United States. We should all regard the Capital as a model city, but we must make some changes at the roots of government.

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

Mr. SCHERLE. I yield to the gentleman from Connecticut.

Mr. McKINNEY. I would say to the gentleman, if he would be willing to cosponsor a bill with me that would provide adequate money to put a District of Columbia policeman on each floor of each school, I would support it with him.

I would also stand on the floor and be willing to support a bill to have the Federal Government properly police the office space it has.

And I would be willing to support a bill, unpopular as it might be, which required that Federal and Capitol Hill employees live within the District of Columbia, so that we could bring back some moderate income population to this city.

Mr. SCHERLE. I would go along, perhaps, with the first two, but the last request is totally impractical. American citizens must be free to live wherever they wish and can afford.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE II

TAXATION OF BUSINESS INVENTORY

SEC. 201. Paragraph 2 of section 6 of the Act of July 1, 1902 (D.C. Code, sec. 47–1207), is amended by adding at the end thereof the following sentence: "Effective July 1, 1972, the rate of tax applicable to the average stock in trade of dealers in general merchandise shall be two-thirds of the rate of tax established by the District of Columbia Council for application generally to personal property subject to taxation for the fiscal year ending June 30, 1972; and effective July 1, 1973, the rate of tax applicable to the average stock in trade of dealers in general merchandise shall be one-third the rate of tax established by the District of Columbia Council to be applied generally to personal property subject to taxation for the fiscal year ending June 30, 1973; and effective July 1, 1974, the tax on the average stock in trade of dealers in general merchandise is repealed."

Mr. CABELL (during the reading). Mr. Chairman, I ask unanimous consent that title II be considered as read, printed in the RECORD, and open to amendment at any point.

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

There was no objection.

The CHAIRMAN. If there are no amendments to be proposed to title II, the Clerk will read.

The Clerk read as follows:

TITLE III

MOTOR VEHICLE FUELS TAX

SEC. 301. (a) The first section of the Act entitled "An Act to provide for a tax on motor vehicle fuels sold within the District of Columbia, and for other purposes," approved April 23, 1924 (43 Stat. 106; D.C. Code, sec. 47–1901), as amended, is amended by striking the figure "7" and inserting in lieu thereof the figure "8".

(b) Section 2(b) of such Act (D.C. Code, 47–1902 (b)), is amended to read as follows:

"(b) The term 'motor vehicle fuels' means gasoline, diesel fuel, and other volatile and flammable liquid fuels produced or compounded for the purpose of operating or propelling internal combustion engines. It also includes benzol, benzene, naphtha, kerosene, heating oils, all liquified petroleum gases, and all combustible gases and liquids suitable for the generation of power for propulsion of motor vehicles when advertised, offered for sale, sold for use, or used, alone, or blended or compounded with other products, for the purpose of operating or propelling internal combustion engines."

(c) Section 10 of such Act (D.C. Code, 47–1910) is repealed.

(d) Section 14 of such Act (D.C. Code, 47–1912), as amended, is amended by striking out "of 7 cents per gallon".

SEC. 302. The amendments made by this title shall take effect on the first day of the first month which begins more than thirty days after the date of enactment of this Act.

Mr. CABELL (during the reading). Mr. Chairman, I ask unanimous consent that title III be considered as read, printed in the RECORD, and open to amendment at any point.

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

There was no objection.

The CHAIRMAN. If there are no amendments to be proposed to title III, the Clerk will read.

The Clerk read as follows:

TITLE IV

CORPORATE INCOME TAX

SEC. 401. Section 2 of title VII of article I of the District of Columbia Income and Franchise Tax Act of 1947 (D.C. Code, sec. 47–1571a) is amended by striking out "6" and inserting in lieu thereof "7".

SEC. 402. The amendment made by this title shall apply with respect to taxable years beginning after December 31, 1971.

Mr. CABELL (during the reading). Mr. Chairman, I ask unanimous consent that title IV be considered as read, printed in the RECORD, and open to amendment at any point.

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

There was no objection.

The CHAIRMAN. Are there any amendments to be proposed to title IV? If not, the Clerk will read.

The Clerk read as follows:

TITLE V

INCREASE SPECIAL FUND BORROWING AUTHORITY

SEC. 501. Section 214 of the District of Columbia Public Works Act of 1954 (D.C. Code, sec. 43–1613) is amended by striking out the figure "$72,000,000" and inserting in lieu thereof the figure "$106,000,000".

SEC. 502. The Act entitled "An Act to authorize the Commissioners of the District of Columbia to plan, construct, operate, and maintain a sanitary sewer to connect the Dulles International Airport with the District of Columbia system", approved June 12, 1960, as amended, is further amended (1) by striking out in section 4 (D.C. Code, sec. 43–1623 (a)), the figure "$25,000,000", and (2) by adding at the end of section 2(b) (D.C. Code, sec. 43–1621(b)) the following: "Lump-sum payments made by an agency or local authority pursuant to the provisions of this section, and as reimbursement to the United States of funds loaned in compliance with section 4 of this Act, need not be appropriated, and may be made by the agency or local authority to the Secretary of the Treasury.".

Mr. CABELL (during the reading). Mr. Chairman, I ask unanimous consent that title V may be considered as read, printed in the RECORD, and open to amendment at any point.

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

There was no objection.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: Page 7, strike out line 3 and insert the following:

"1623(a)) '$25,500,000' and inserting in lieu thereof '$35,500,000', and (2) by adding at".

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

Mr. Chairman, this was a technical amendment because it was printed in the original bill, and we are asking in the committee amendment to have it restored. This is another case of a typographical error.

Did the gentleman from Iowa wish to oppose the amendment as it was supposed to be in the bill?

Mr. GROSS. Will the gentleman yield?

Mr. CABELL. Yes.

Mr. GROSS. I thought the Clerk read $35 million. Is that what the gentleman is addressing himself to?

Mr. CABELL. $35.5 million. That is the increase in borrowing.

Mr. GROSS. The Clerk read "$30 million." Is it $30 million or $35 million?

Mr. CABELL Thirty-five million, five hundred thousand is the correct amount. There was an error in the bill as printed. Therefore, this is a committee amendment to correct that error.

Mr. GROSS. I will say to the gentleman there is no error in the bill I hold in my hand. It provides for $35.5 million.

Mr. CABELL. The $35.5 million is the committee amendment.

Mr. GROSS. I see.

Mr. ANDREWS of Alabama. Will the gentleman yield?

Mr. CABELL. I will be glad to yield to the gentleman?

Mr. ANDREWS of Alabama. Could the gentleman tell the House how many city employees are using chauffeur-driven automobiles? I saw in the paper, oh, it was a fantastic number. I hope we could stop some of it. I do not mind the Mayor having an automobile, but I saw where the chauffeur of the superintendent of schools got $17,500 a year, which is more than the superintendent of education in many States gets.

Mr. CABELL. I would just like very much to take issue with the gentleman. It was not $17,000 a year.

Mr. ANDREWS of Alabama. That is what the paper says.

Mr. CABELL. Computed on an annual basis, it is $22,000.

Mr. ANDREWS of Alabama. That is even worse. That is more than a lot of Governors get. I do not know. I am sure the gentleman does not even attempt to justify it. But how do the witnesses who come before the committee justify fabulous salaries like that for driving automobiles like that? Of course, it is worth an awful lot to drive a car around in Washington, because you take your life in your hands every time you get into one.

Mr. CABELL. May I remind the gentleman the Committee on Appropriations has the ability and the authority to line veto some of these appropriations, and in the authorization we are not in a position to dictate that.

Mr. ANDREWS of Alabama. Would it be in order to offer an amendment to this bill to limit the number of chauffeur-driven automobiles that can be used by city employees?

Mr. CABELL. I would hope the gentleman would reserve that for the appropriations where it can be done very expeditiously and without taking the chance of encroaching upon the prerogatives of the Committee on Appropriations.

Mr. ANDREWS of Alabama. Well, I am not surprised that we do not have enough money to make ends meet with the welfare rolls rising, as the gentleman from Iowa said.

You have 50 or 60 chauffeur-driven automobiles where the chauffeur receives $22,500 a year.

I wonder if he is on welfare in addition to the salary which he receives?

Mr. CABELL. If he has enough children it is possible that he is drawing some welfare payments.

Mr. ANDREWS of Alabama. Well, I am sure he has a lot of children.

I thank the gentleman for yielding.

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

Mr. GROSS. Mr. Chairman, I am still not satisfied with this title V and the building of sanitary facilities out in Virginia in connection with Dulles Airport.

I frankly admit that I know too little about the sanitary disposal laws, but why are we financing in this bill, the District of Columbia bill, a sewer system or disposal system miles and miles out in the State of Virginia? I just do not understand why.

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

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

Mr. McKINNEY. I believe the gentleman will find we are supporting that by an act of this very body. They put that particular job on the city of Washington when the airport was built.

Mr. BROYHILL of Virginia. Mr. Chairman, will the gentleman yield further?

Mr. GROSS. Yes, I yield further to the gentleman from Virginia.

Mr. BROYHILL of Virginia. A number of years ago when the construction of the Dulles International Airport was authorized—and it was authorized by this Congress, not at the request of the people of Virginia or Maryland—it was authorized at a cost of $100 million.

Mr. GROSS. Yes, and you were glad to get it, were you not?

Mr. BROYHILL of Virginia. We opposed it for a number of years.

Mr. GROSS. But you finally capitulated and accepted it with open arms.

Mr. BROYHILL of Virginia. Mr. Chairman, if the gentleman will yield further, when the airport was authorized it was proposed that the sewage effluent be dumped into the Potomac River above the city water intake for the Nation's Capital. However, it was later proposed by this Congress that we construct a sewage interceptor system that would bring the effluent down to the Blue Plains treatment plant, and that there a user's fee be charged sufficient to pay for the cost of the construction of that plant.

The only thing that this language does is increase that authorization. There is still provision for repayment of the additional funding through the user charges over a period of years. We propose this increased borrowing authority in order to assure protection against the pollution of the Potomac which is being corrected now by the construction of this facility at the Three Sisters Bridge.

Mr. GROSS. Does the House District Committee handle requests for sewage disposal systems all over the country? Are you getting any in Florida from the House District Committee?

I do not know how it ever got into this committee. It had to be by some kind of fast footwork on the part of someone.

I do not understand why the House District Committee should be providing this kind of money for a sewer system in northern Virginia.

Mr. BROYHILL of Virginia. Mr. Chairman, if the gentleman will yield further, I think the gentleman has a very good point, and that is that the expense of the Blue Plains treatment plant which is operated by the District of Columbia is included in the budget of the District of Columbia, but I think it should be a separate item. I think the Blue Plains plant should be federally operated for the treatment of this sewage as well as to protect the water supply not only of the District of Columbia but the surrounding areas, as well, because the Federal Government owns half of the property in the District of Columbia anyway.

This provision is in this bill because the District of Columbia has jurisdiction over the Blue Plains treatment plant.

Mr. GROSS. The taxpayers of the country build all of these free bridges across the Potomac River to Virginia. I still think we ought to drain the Potomac River, pave it, and use it for traffic.

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

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

Mr. GUDE. I can appreciate the gentleman's concern.

Let me say that the underwriting of the Blue Plains treatment plant is being done by the District of Columbia, Maryland, and Virginia through user charges.

After extensive discussion and negotiation all of the jurisdictions have come to an agreement to pay their fair share of cleaning up the river. This is a cooperative arrangement, and let me assure the gentleman——

Mr. GROSS. I hope the gentleman is not about to say that Maryland now wants some kind of free ride from the taxpayers of the country.

Mr. GUDE. No; Maryland citizens are willing to pay their fair share of cleaning up the Potomac.

I thank the gentleman for yielding.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 7, line 12, after the word "Treasury", insert: "The second sentence of section 4(a) of such Act is amended by striking out 'Any loan advanced' down through and including 'from the receipts credited to said fund' and inserting in lieu thereof the following: 'Any loan advanced under this section shall be credited to the Metropolitan Area Sanitary Sewage Works Fund, and—

"(1) in the case of any loan advanced under this section before July 1, 1971, 50 per centum of such loan shall be repaid to the Secretary of the Treasury, and

"(2) in the case of any loan advanced on or after July 1, 1971, 100 per centum of such loan shall be repaid to the Secretary of the Treasury,

from the receipts credited to such fund'."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE VI

INCREASE IN AUTHORIZATION OF THE FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA

SEC. 601. Section 1 of article VI of the District of Columbia Revenue Act of 1947 (D.C. Code, sec. 47–2501a) is amended (1) by striking out "1971", and inserting in lieu thereof "1972", and (2) by striking out "$126,000,000" and inserting in lieu thereof "$150,000,000".

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Page 8, line 8, strike out "$150,000,000" and insert in lieu thereof "$170,000,000".

AMENDMENT OFFERED BY MR. GROSS TO THE COMMITTEE AMENDMENT

Mr. GROSS. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS to the committee amendment: On page 8, line 7, after the figure 2 in parentheses, strike the remainder of the line and all of lines 8 and 9 and insert the following: "$126,000,000".

Mr. GROSS. Mr. Chairman, I would recommend to the Members of the House that they get a copy of the report, turn to pages 27 and 47, and take a look at the tables printed on those pages, and also look at the source of the figures given.

There has been some question expressed about the authenticity of some of the figures in this report. I would think that the source of these figures would be authentic, coming as they do from the U.S. Treasury in one instance, and in——

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

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

Mr. MIKVA. As I understand, just as an example, that very $35.5 million you were just asking about is included in here as part of the per capita aid given to the residents of the District of Columbia. I think the gentleman from Iowa will agree that it certainly does not benefit very many residents of the District of Columbia.

Mr. GROSS. What $35 million?

Mr. MIKVA. The $35 million we were talking about in the preceding title—the sewer money.

Mr. GROSS. I agree that most of the benefit will go to and ought to be financed by Virginia.

Mr. MIKVA. That is treated as per capita aid going to the District of Columbia residents.

Mr. GROSS. However, I think the District of Columbia will pick up some revenue from the tourists and others who come through Dulles Airport.

But getting back to this amendment, there is nothing complicated about it at all. It would simply throw out the $44-million increase to the District of Columbia.

The report accompanying this bill is a real indictment of the management and operations of the government of the District of Columbia.

Questions have been raised this afternoon about the operation of the fleet of limousines with chauffeurs, on which thousands upon thousands of dollars have been spent to haul city officials hither and yon.

Look in any direction you want—there is mismanagement, extravagance, waste, and worse all through the District of Columbia government and yet the committee has the colossal gall to come in here and ask for a $44-million increase, or to a total of $170 million from your taxpayers and mine.

Turn to page 27 of the report and see what you get in your State by way of Federal aid as compared to the $535 per capita in the District of Columbia.

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

Mr. GROSS. Yes; I yield to the gentleman if he can make a contribution.

Mr. FAUNTROY. Mr. Chairman, the gentleman from Iowa has referred to page 27 of the report, which is an error. The truth is that the District of Columbia receives from the Federal Government closer to $140 million and not $405 million as suggested by this Department of the Treasury report or the higher amount suggested by the GAO report included in this report of the staff.

The fact is that this figure includes funds not unlike the $35.5 million.

Mr. GROSS. You are making it even worse because the table on page 47 shows you are now getting $126 million and you say it is $140 million. According to your figure, and with the proposed increase of $44 million, the District would get $184 million from the taxpayers of my State as well as from the other States.

Mr. FAUNTROY. The figures included here include the Federal payment of $405 million. The $405 million cited here includes the Federal payments. When we compute the Federal payment, it comes up to only $140 million.

Mr. GROSS. You can jockey the figures around all you want to, but you are in too deep right now—you already had your hands too deep in the pockets of the taxpayers of the Third District of Iowa to suit me. You had better learn to operate on your $126 million, for the day will come when the District of Columbia will have to learn to live as other cities do.

All I am trying to do is to cut off some of the fat around here—that is all.

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

Mr. GROSS. I yield to the gentleman.

Mr. ANDREWS of Alabama. I would like to ask the gentleman from the District of Columbia: Do you have at your service an automobile and a chauffeur?

Mr. FAUNTROY. No, I do not; no.

Mr. GROSS. Did he ever have?

Mr. ANDREWS of Alabama. Did you ever have?

Mr. FAUNTROY. No; I did not—when I was vice chairman of the city council.

Mr. ANDREWS of Alabama. Oh, you had one then?

Mr. FAUNTROY. No, I did not.

Mr. ANDREWS of Alabama. And you do not have one now?

Mr. FAUNTROY. The answer is "No, I do not."

Mr. GROSS. How many limousines and chauffeurs has the District of Columbia government been maintaining—19, 20?

Mr. FAUNTROY. Mr. Chairman, I had no chauffeurs or limousines.

Mr. GROSS. Mr. Chairman, the District of Columbia government has a payroll of more than 41,000 employees. This is ludicrous for a city of less than 800,000 population. There has been no justification for this proposed raid on the Federal Treasury of $170 million—an increase of $44 million over the amount that was lifted from the Treasury last year.

In all conscience I insist—I insist that my amendment be adopted and this increase of $44 million be denied.

I submit the following tables, taken from the committee report, for printing in the RECORD at this point:

FEDERAL AID TO THE STATES AND TO THE DISTRICT OF COLUMBIA, FISCAL YEAR 1970—SUMMARY

State	Population	Grand total	Per capita aid
Alabama	3,444,165	$523,507,981	$151
Alaska	300,352	115,929,874	385
Arizona	1,772,432	237,166,021	133
Arkansas	1,923,295	274,819,307	160
California	19,953,134	2,998,345,571	100
Colorado	2,207,259	282,261,439	127
Connecticut	3,032,217	295,488,191	97
Delaware	548,104	51,110,807	93
District of Columbia	756,510	405,134,631	535
Florida	6,789,443	509,409,287	75
Georgia	4,589,575	553,793,855	120
Hawaii	768,561	123,581,986	160
Idaho	712,567	95,290,069	133
Illinois	11,113,976	950,808,806	85
Indiana	5,193,669	352,223,807	67
Iowa	2,825,041	244,345,207	86
Kansas	2,249,071	231,665,571	103
Kentucky	3,219,311	456,588,491	141
Louisiana	3,648,180	526,971,861	144
Maine	992,043	112,485,425	113
Maryland	3,922,399	395,030,686	100
Massachusetts	5,869,170	715,829,951	121
Michigan	8,875,083	786,758,072	88
Minnesota	3,805,069	407,361,699	107
Mississippi	2,216,912	413,042,046	186
Missouri	4,677,369	502,013,222	107
Montana	694,469	135,491,316	195
Nebraska	1,483,791	129,782,934	87
Nevada	488,738	76,827,951	157
New Hampshire	737,681	72,187,892	97
New Jersey	7,168,154	619,739,332	86
New Mexico	1,016,000	218,814,942	215
New York	18,190,740	2,365,629,042	130
North Carolina	5,082,059	507,067,589	99
North Dakota	617,761	87,724,591	142
Ohio	10,652,017	888,453,481	83
Oklahoma	2,559,268	403,759,349	157
Oregon	2,091,385	297,955,602	142
Pennsylvania	11,793,910	1,343,171,041	113
Rhode Island	949,723	132,680,617	139
South Carolina	2,590,516	278,,087,087	107
South Dakota	665,507	103,685,545	155
Tennessee	3,924,164	487,031,456	124
Texas	11,195,730	1,153,404,525	103
Utah	1,059,278	173,846,992	164
Vermont	444,732	77,105,186	173
Virginia	4,648,494	465,682,360	100
Washington	3,400,169	400,451,472	117
West Virginia	1,744,237	303,098,149	174
Wisconsin	4,417,933	386,704,092	87
Wyoming	332,416	83,296,080	250
Puerto Rico	2,712,033	325,426,747	119
Virgin Islands	62,468	27,091,995	433
Total	203,165,699	24,194,090,576	

Source: Department of the Treasury, Fiscal Service, Bureau of Accounts, Division of Government Financial Operations document entitled "Federal Aid to States, Fiscal Year 1970."

RECENT FEDERAL PAYMENTS TO THE DISTRICT

	Authorized (millions)	Percent of general fund revenues
1956	$20	18.1
1957	23	18.5
1959	32	23.7
1963	50	25.3
1966	60	21.0
1967	70	25.0
1968	90	28.0
1969	[1] 105	30.7
1970	[2] 105	26.1
1971	126	28.7
1972 (as reported in H.R. 11341)	170	35.3

[1] Plus $5,000,000 for crime.
[2] Plus $3,000,000 for salary increases; plus $5,000,000 for court system and drug problem.

Mr. McKINNEY. Mr. Chairman, it is very easy for us to sit and to nit-pick at the District of Columbia government. There is no question in my mind that the government of the District of Columbia needs a very big shakeup. I think you will find the ranking member of the District of Columbia Committee, now that the Senate has finally acted to go ahead, is spending every effort so that he can bring back to this Congress a comprehensive report as to where cuts can be made in running this city.

But to center the problem of this city on limousines and chauffeurs is to be ludicrous.

First of all, I would like to answer the gentleman from Iowa whom I greatly respect. I wish, as I am sure the gentleman from Iowa does, that we could get correct information out of this Federal Government. But, as the gentleman and I know, trying to get it is very difficult. If you will stop and take a careful look—and I will personally see that these figures are delivered to the gentleman when I finally get them—you will see that the District of Columbia does not get a disproportionate share of Federal aid when you consider three things: It is one of the largest cities in our country with large problems. It is a State and must carry on all State functions. No. 3, it has to sit and exist and pay the terrible price for the operation of this Federal unit within its boundary.

Most people stand and say, "Look what we bring to the city." I hear over and over again the statement, "Look at the employment we bring to the District of Columbia."

Well, I have asked for a computer printout. I intend to get it, and I intend to read it into the record in this House as to just how many employees of the Federal Government in totality live within the District of Columbia and contribute to its well-being.

On top of that, let us stop and look at the other things that add to the financial condition of the city. Today, at the office of a Congressman, a minister arrived with 15 children, saying that they are going to lie down in the street in front of the White House. Immediately the District of Columbia government will have to change its whole police scheduling operation for that area to cooperate with with the White House Police to make sure that the White House stays open.

Time after time matters of that kind occur.

There is the extra crime lighting that we have put in this city. That is an extra burden to it.

On top of that, this Congress in its wisdom has taken action with respect to the city. Think of some of the things we have done. We have taken $46 million of real estate and more off the tax rolls because in our District we have a group that has a headquarters in Washington, D.C., and which wants to be safe from the real estate tax.

In the District of Columbia we have a law that says you cannot build your buildings higher than the top of the Capitol dome. Therefore, you cannot possibly get taxing value out of the real estate we have downtown.

We provided a subway system for the District of Columbia, but then we said, "No, you will not have a subway system." So we have left half the city torn up and we have depreciated the whole tax base structure downtown into which we have moved.

We have never determined exactly what the corporate and business taxes are that are lost on the mammoth amounts of property within the District that we keep open for Federal use—Federal parks and Federal monuments.

Gentlemen, there is no question in my mind that the District of Columbia is not run properly. There is no reason to wonder why. It is run by 535 people who do not live here. We can expect some degree of responsibility out of the District of Columbia when we learn that the United States in 1970 should not have what amounts to a colony within its midst. I suggest that if we are to criticize what the District of Columbia spends of Federal money, we look around at the Guams, the Virgin Islands, and the other Territories that we keep in the same state that we keep the District of Columbia.

It is very easy to criticize. We can talk about limousines, talk about chauffeurs, and talk about sewer connections, but the whole problem is that the very sewer connection you talk about was not put on the District of Columbia because they wanted it or needed it, but it was put on by this body.

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

The CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. FAUNTROY. Mr. Chairman and Members of the full Committee, I promised you earlier that I would be here to tell you the truth about the city, on the basis of which you could make right judgments.

The gentleman from Iowa has offered an amendment based on information provided us in the report, information which I submit is erroneous and misleading in its comparisons of the costs of the District of Columbia government with that of other cities in our country.

The truth is that any effort to compare the cost of District government with other cities in the Nation becomes an effort to compare apples with oranges.

Such a comparison ignores the multiple functions of the District which, as a single entity, are the full responsibility, as opposed to being shared among county, city, State, and special jurisdictions.

The truth is that we in the District do not have the privilege of sharing with county, State, and other special jurisdictions surrounding us the cost of running our local government. There are many cities in this country which have little or no public welfare expenses in their budgets, cities like Phoenix and Philadelphia, Seattle and San Diego, which share their responsibilities largely with the county and State jurisdictions surrounding them. We do not have that privilege here.

It has been suggested on page 27, referred to by the gentleman from Iowa and by the gentleman from Texas, that the District receives a larger share of Federal grants than any other State in the Union. That simply is not true. The Treasury figures and those of the GAO include Federal grants that do not relate to services delivered in the District of Columbia. I cite as one case in point the fact that included in this figure is the $35 million mentioned earlier as being spent on the Dulles, Va., intercepter sewer. A $27.8 million grant from the Office of Education to NIH is ascribed to the District simply because the NIH has a Washington address. The grant money accrues to people all over the Nation.

There are a number of items included in the Department of the Treasury computation and that of the GAO we will find having to do with nongovernmental groups which receive grants that are not available at all to service the needs of residents of the District of Columbia.

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

Mr. FAUNTROY. I yield to the gentleman from Maryland.

Mr. GUDE. Mr. Chairman, I commend the gentleman and the previous speaker for very forthright statements. The gentleman has been interrogated about chauffeur-driven cars and I would suggest that the proper forum for that discussion is in the Appropriations Committees of the House and the other body. I know that the Subcommittee on District of Columbia Appropriations of the other body has already made a thorough investigation of the use of chauffeur-driven cars by District of Columbia officials.

The Delegate from the District of Columbia has a heavy caseload or workload which is much larger than those of other congressional representatives. He alone represents the District of Columbia citizens whereas other States in some cases with a population smaller than the District of Columbia have two Senators and a Congressman to handle a much smaller workload. The gentleman is doing a fine job, and I commend him for his statement.

Mr. FAUNTROY. I thank the gentleman.

It has been suggested that our police costs in the District are by comparison

the highest in the Nation. Again, there is no way in the world that you can compare the cost of police services in San Antonio, for example, as the committee would have us compare them, with those required for the Nation's Capital. The fact is that our police force must service the needs of more than 300,000 nonresidents, employees, visitors and shoppers who come into the city, into the metropolitan area. In addition, they must service 18 million tourists per year. We spent over $3 million dealing with one series of national demonstrations for one week in May. Across the board we cannot compare the costs of government in the District of Columbia with those of any other city across the Nation.

If we act on the basis of that erroneous information we will find we will not be doing what is just and fair and right for the citizens of the District of Columbia.

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

First I want to make it very clear that my colleague, the gentleman from Iowa (Mr. GROSS)—and I think all of my colleagues join with me in saying this—consistently performs a great service in the intensive examination that he pursues on all the business of his Government. I have no criticism whatever.

But, Mr. Chairman, I want to say that striking this budget to $126 million—if there is any fat in this budget, it is in the $126 million, because every item in the additions of at least $38 million are items that we added by law.

Here are listed the $38 million we have added: within-grade increases, the crime fight items, court reorganization, higher education, narcotics treatment, the board of elections, teacher salary increases, and reimbursement to the U.S. courts. This added up to $38 million and more that we enacted by law.

I am sure that many who are critical here of the $44 million increase voted for those increases in District costs on the floor when those bills were considered.

I did not take the $90 million handed to us from downtown. I took the $126 million and added only those items for which we are responsible here in the Congress of the United States.

I hope the amendment will be defeated.

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

Mr. Chairman, one learns something new all the time when one serves in the Congress of the United States.

One can see a Cadillac limousine sitting in one stall, and it does not offend anyone; or one can see a Cadillac limousine sitting in another stall and it does offend people.

Personally, when they are paid for by my taxpayers, all of the limousines offend me with the exception of the limousine provided for the President of the United States, and one each for each Department for its Cabinet member, and one for the Speaker of the House of Representatives, and one for the Vice President of the United States.

For 3 years now I have introduced a bill here in the Congress to accomplish that very goal, to eliminate all of the rest of the servant-driven automobiles in which public servants ride. So I am against those servant-driven automobiles in the District of Columbia, for everybody.

I have the opinion that if a man is not capable of steering a car he ought not to try to steer the affairs of government, unless he is physically disabled, such as unable to see. That would be another exception.

I just hope that after all this discussion with regard to limousines we might generate a little support for my bill to eliminate these limousines in the District of Columbia and out beyond the District of Columbia, even all those limousines I see parked in the big horseshoe driveway out in front of the Rayburn Building every day, with the chauffeurs leaning up against them, pulling handkerchiefs out of their hip pockets, shining a little bit on the fenders, as they wait for their masters to return to the carriages and to drive back wherever they go, a mile or two away.

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

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

Mr. ROUSSELOT. Is the gentleman also suggesting he will offer an amendment to this bill to eliminate these, in the same way he opposes them for the general Federal Government? Would he do the same in the District of Columbia? I compliment him for his position.

Mr. JACOBS. I wish my good friend from California would take me more seriously, because I just got through saying I am in favor of eliminating every one of them in the District of Columbia.

Mr. ROUSSELOT. The gentleman will offer an amendment?

Mr. JACOBS. I just said that.

I have an idea. Why do I not just file a discharge petition on that bill. It has been in the committee, I believe, 3 years. The gentleman from California and I have different basic persuasions. Why do we not troop up together to sign that petition first off? All the other Members are invited.

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

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

Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Iowa to the committee amendment.

Mr. Chairman, for years in the House of Representatives it has been the tradition that all bills reported out of the Committee on Ways and Means, because they involve legislation affecting revenues, are considered on the floor of the House under a closed rule.

The reason for that, I presume, is that you cannot properly write a revenue bill on the floor of the House. And I do not think you can properly write or amend this District of Columbia revenue bill on the floor of the House.

We have worked for weeks on this bill. As I said before, we held weeks of hearings and spent hours in deliberations in executive sessions to come out with a compromise bill, one that we thought would do the job and which we felt was a very tight and close-budgeted bill.

Why should we bring the bill up here, after all this work, only to have it arbitrarily cut back to a figure that does not mean a thing, and say that such a figure will do the job?

As pointed out by the gentleman from Minnesota (Mr. NELSEN) a large part of this increase in cost to the District of Columbia has resulted from our own actions. We provided for salary increases for the policemen, firemen, and teachers, and justly so. We provided for additional policemen in the District of Columbia in order to protect ourselves and our own constituents as well as the citizens of the District of Columbia. We provided for an expanded District of Columbia court system last year, which also cost a substantial amount of money.

Furthermore, Mr. Chairman, a large part of this increase in operational costs is caused by the fact that this is the Federal City. As was pointed out by the Delegate of the District of Columbia a few moments ago, a cost amounting to approximately $3 million resulted from the last demonstration in the city. Those people came here not to demonstrate against the District of Columbia government or its citizens, but to demonstrate against the Federal Government and to some extent against the Congress of the United States.

So I say that we bear a large and substantial share of the responsibility of assuring that this Government in the Capital City is able to function properly. I suggested to the gentleman from Iowa, or to any other Member who would like to cut back on the operations of the city government to suggest where its services should be cut. As far as I am concerned, I do not think we can afford to risk the loss or curtailment of some of these services that all of us think are needed, in order simply to cut back on the city's expenses by arbitrarily reducing this necessary Federal payment.

There is no question about the fact that we should improve the efficiency of operation of the D.C. government. That is what the Little Hoover Commission, chaired by the gentleman from Minnesota (Mr. NELSEN) is attempting to do. I am very optimistic and hopeful that they will come forth with some real constructive suggestions. That is the proper way to accomplish some reforms and accomplish some reductions in expenditures. But this should not be attempted by a meat-ax approach, which is what the amendment offered by the gentleman from Iowa proposes.

Mr. GROSS. Will the gentleman yield?

Mr. BROYHILL of Virginia. I am glad to yield.

Mr. GROSS. Thank you.

The gentleman from Mississippi (Mr. ABERNETHY) very well pointed out a few moments ago that the District got an increase last year to take care of the very things you are talking about now.

Mr. BROYHILL of Virginia. We have other mandatory increases in the city's budget which have occurred for the first time in this fiscal year, and that is why we now propose this increase in the Federal payment.

SUBSTITUTE AMENDMENT OFFERED BY MR. SCHERLE FOR THE COMMITTEE AMENDMENT

Mr. SCHERLE. Mr. Chairman, I offer a substitute amendment for the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. Scherle, as a substitute for the Committee Amendment: Strike out "$150,000,000," and insert "$151,000,000".

Mr. SCHERLE. Mr. Chairman, if you would look at your bill, on page 8, title VI, you will see where the original proposal of the committee was $150 million. I have increased it by an additional $1 million.

My colleague from Iowa (Mr. GROSS) has advocated in his amendment that we roll this back to $126 million. I have no objection to that, really. Members of the House should have an additional opportunity to decide how much they want to cut this. But my amendment raises the amount from the initial appropriation of last year of $126 million to $151 million, or a $25 million increase.

Now, can anyone tell what other agency of the Government has received such an enormous increase in its appropriations this year?

Not one. We did not even raise the Defense budget by that great a percentage. I propose $25 million more, from $126 million to $151 million, which would be adequate.

However, it is high time that we gave the government downtown an opportunity to operate fiscally in a stable manner.

Mr. Chairman, the sum of $25 million is all that is needed for this fiscal year.

Now, if you would look at your report, you will see an item entitled "District Government's Extravagance." Read that and then compare Washington residents' taxes, which are appreciably lower than those paid in Montgomery County and Prince Georges County.

Did you know that we even finance the minibuses which run downtown? Did you know also that the D.C. Teachers College under LEAA receives an appropriation of $250,000, which is paid to an organization called the "Trojans" to parade up and down the street to observe crimes?

Mr. Chairman, we have reached a point where a sensible amendment like this is necessary. If you cut the budget back, it will teach those people downtown to operate within the confines of the money which we appropriate. If they cannot do that, then we can handle it later on in a supplemental appropriation bill.

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

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

Mr. HALEY. It might be surprising to some people here to know that only 16 years ago the Federal contribution to the District of Columbia was only $20 million. We started this contribution just a few years prior to that at $2 million. Now we are getting up beyond all reason and I just wonder about it.

I know that my people are fed up to here in paying this bunch of people here who are parasites on the rest of the Nation and yet they continue to hear that they have got to do this and they have got to do that because of the conditions of the Federal City.

Mr. SCHERLE. We have an expression back in Iowa: "They are living pretty high on the hog in Washington."

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

(By unanimous consent (at the request of Mr. BROYHILL of Virginia) Mr. SCHERLE was allowed to proceed for 2 additional minutes.)

Mr. BROYHILL of Virginia. Mr. Chairman, will the gentleman yield?

Mr. SCHERLE. Yes, I yield to the gentleman from Virginia.

Mr. BROYHILL of Virginia. I would like to ask the gentleman two questions.

First of all, let me commend the gentleman for being willing to increase the figure over that which has been proposed by the gentleman from Iowa (Mr. GROSS).

Mr. SCHERLE. The sum of $25 million is just chickenfeed compared to this overall operation.

Mr. BROYHILL of Virginia. On what basis does the gentleman propose to increase the payment by $25 million more than was proposed by the gentleman from Iowa (Mr. GROSS)?

Does the gentleman have any facts to substantiate that $25 million?

Mr. SCHERLE. It is the same decision that was made in arbitrarily raising the appropriation in the individual agencies that you are now asking me to cut. Let them take this and then decide where cuts are necessary elsewhere. This is an increase of $25 million over the last fiscal year. No other agency of the Federal Government has received this much of an increase over its prior fiscal year appropriation. The people in my part of the country are darn tired of having to support the excesses of the Nation's Capital.

Mr. BROYHILL of Virginia. Mr. Chairman, if the gentleman will yield further, I still suggest that the gentleman is being arbitrary, and he has just proved that by his statement.

However, regardless of what we authorize in this bill, the committee of which the gentleman is a member will be called upon to appropriate for these items, and if the gentleman thinks any of these items should be eliminated, he will have an opportunity to do so by line-item cuts in the Appropriations Committee, and then he can come to the floor and show us how to save money.

Mr. SCHERLE. What we are trying to do is to advise the House about the many inequities contained in this bill and the fiascos which are perpetuated by this bill. The taxpayers of this country are entitled to some redress.

However, this bill arbitrarily raises the amount of money in every one of these agencies, and you do not have the justification for this.

The CHAIRMAN. The time of the gentleman has expired.

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

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

I think the bill as reported by the committee, with the $170 million Federal payment should stand, and should not be reduced.

It is all well and good to get up on the floor of the House and talk about waste in the city government—and there is no question that there are wasteful activities in the city government of the District of Columbia, just as there are in every city in this land. The fact of the matter, however, is that when you are talking about cutting the Federal payment, you are doing so in the face of the demands of people, legitimate demands for expenditures, and increased expenditures, for salaries, for police service and protection, for schools, for health services, and for welfare payments.

If you are going to cut this Federal payment you are going to have to cut each and every one of these services.

The District of Columbia is not any different from other cities in the United States, and we are facing the same problem which every city in the Nation is facing, and that is a shortage of tax money with which to do the necessary job. We have got to find the means to accomplish these tasks, but the way to do it is not to just arbitrarily cut funds irresponsibly. That is what we would be doing if we would cut the Federal payment, and then just forget about the problems of the District of Columbia. Those people who are charged with the supervision of those services and who must work with them every day of the year cannot just ignore the effects of such a cut however. Cutting the Federal payment is not an answer, and not a solution to our problem.

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

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

Mr. GROSS. Mr. Chairman, does the gentleman from Connecticut know of any city in Connecticut that can fall back on the Federal Treasury when it finds that it can no longer eat T-bone steak on a hamburger income?

Mr. GIAIMO. The gentleman from Iowa is absolutely correct, there is no city in Connecticut that can get a Federal payment from the U.S. Treasury. But the fact is that the Federal payment is a payment in lieu of taxes by the Federal Government for Federal activities in this city.

This payment in lieu of taxes is something that happens to be well established in American municipal law and it happens in many instances in other parts of the country.

But I can tell you one of the problems that the State of Connecticut is faced with, and that is the 15-percent cut in its welfare budget which is creating havoc in the State of Connecticut. Needless to say, the same thing can happen in the District of Columbia.

We want to revise and revamp our welfare laws, and I can assure the gentleman that I shall work in that regard,

and we want to try to help people to get off of welfare, but the solution to it is not by suggesting this very easy and casual cut in the Federal payment, and then by not concerning ourselves about how the administrators are going to administer the programs.

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

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

Mr. SCHERLE. Mr. Chairman, I appreciate the gentleman yielding.

Then perhaps I am right in my initial statement—and we both serve on the same committee—that when the investigators were taken off of welfare here in the District the cost to the welfare beneficiaries zoomed right up to the roof, did they not?

Mr. GIAIMO. The welfare costs, I will say to my friend, the gentleman from Iowa, are zooming in every State in the Union and in every city in the Union, and they are certainly zooming in the District of Columbia as they are in New York, in New Haven, and Chicago and Dallas, and Detroit and wherever.

Mr. SCHERLE. But when they had investigators the costs were arrested; they did not zoom.

Mr. GIAIMO. I will not dispute the question of the investigators with my friend, because he does make a point there. But under a new solution that we are looking to this Congress for, and that the Nation as a whole is looking for, concerning welfare and welfare reform, perhaps we can get some decent management and perhaps we can ameliorate the welfare situation in this country.

I am merely saying that the way to do it is not with a meat ax applied at this time to the Federal payment as it applies to the District of Columbia.

Mr. CABELL. Mr. Chairman, I think this amendment and this substitute have been pretty well wrung out. I ask unanimous consent that all debate on this amendment, and all amendments thereto, be concluded in 5 minutes.

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

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota (Mr. FRASER).

Mr. FRASER. Mr. Chairman, I want to reemphasize the point that the gentleman from Minnesota (Mr. NELSEN) made. In trying to determine what a minimum increase in the Federal payment had to be, I know he sat down, because I was there with the budget authorities to look at the increases that the Congress has mandated the District of Columbia to expend.

There are in the list he describes increases that we are requiring the District to spend for court reorganization, for better police protection and for the narcotics treatment program and for other items. This figure that is in the bill now is well below what the District had asked for. It is, as I recall, some $24 million under what the District had asked for initially.

We have made a major cut and the figure that the committee has recommended is just those items that the Congress has already required the District to assume. I think we would not be discharging our responsibility if we were to cut this Federal payment further.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa (Mr. SCHERLE).

Mr. SCHERLE. Mr. Chairman, no one gave me the figures of what was involved in the $170 million.

Last year the Congress provided $29 million, $21 million permanent and for $8 million temporary.

This year we offered them another $25 million, but they are asking for $44 million. That exceeds any amount of reasonableness.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania (Mr. WILLIAMS).

Mr. WILLIAMS. Mr. Chairman, I think we should really put this whole question in its proper perspective. The Federal Government occupies a large part of the valuable land in Washington, D.C. The only thing we are doing with this $170 million payment is making a payment in lieu of real estate taxes. This is something that is common all over this country. The State of Pennsylvania does the same thing so far as its capital city of Harrisburg is concerned.

My own county of Delaware, Pa., makes a payment in lieu of real estate taxes to Media which is the county seat.

We all want to see this city improved. We know that the budgets of all major cities are drastically increasing. I think this $44 million proposed increase in the Federal payment is entirely reasonable.

I can tell you in many major cities the budget has increased by a quarter of a million dollars more this year than last year.

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

Mr. CABELL. Mr. Chairman, I dislike to find myself in this position because no one here in this House is any more conscious of the waste and everything that has been going on.

I sincerely feel, however, that while what we have from the committee here at this moment is probably better than what we are going to get by the time we go to conference with the folks next door.

I would say further, if I have the honor and the somewhat dubious privilege, as I sometimes think of it, of chairing this subcommittee and continuing to do so, that we will come back here to you with some very concrete proposals, some of which are going to put some of the burden on the shoulders of the folks who are enjoying this fine life at the expense of the Federal Government.

By the same token, I am depending on Mr. NELSEN to come up with some good old fat slicing that we can take action.

So I hope we can pass this bill, as it is presently written.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. GROSS) to the committee amendment.

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

TELLER VOTE WITH CLERKS

Mr. GROSS. Mr. Chairman, I demand tellers.

Tellers were ordered.

Mr. GROSS. Mr. Chairman, I demand tellers with Clerks.

Tellers with Clerks were ordered.

PARLIAMENTARY INQUIRIES

Mr. GERALD R. FORD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GERALD R. FORD. Will the Chair clarify for the Members the amendment upon which we are voting?

The CHAIRMAN. The Chair will state that the vote is on the amendment offered by the gentleman from Iowa (Mr. GROSS), to the committee amendment. Following that vote, the committee will vote on the substitute amendment offered by the gentleman from Iowa (Mr. SCHERLE), for the committee amendment. Following that the committee will vote on the committee amendment to the bill.

Mr. BROYHILL of Virginia. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BROYHILL of Virginia. Was not the amendment offered by the gentleman from Iowa (Mr. SCHERLE) the last amendment offered as a substitute?

The CHAIRMAN. The Chair will state, in answer to the parliamentary inquiry, that the Chair has consulted the rules of the House and advises the gentleman from Virginia that the order of voting is as the Chair has stated. The first vote occurs on the amendment offered by the gentleman from Iowa (Mr. GROSS), to the committee amendment, the second vote occurs on the substitute offered by the gentleman from Iowa (Mr. SCHERLE), and then the final vote will recur on the committee amendment to the bill.

The Chairman appointed as tellers Messrs. GROSS, CABELL, FAUNTROY, and NELSEN.

The Committee divided, and the tellers reported that there were—ayes 79, noes 263, not voting 89, as follows:

[Roll No. 382]

[Recorded Teller Vote]

AYES—79

Abbitt	Gaydos	Nichols
Abernethy	Goldwater	O'Konski
Andrews, Ala.	Griffin	Patman
Archer	Gross	Price, Tex.
Baker	Haley	Quillen
Baring	Hall	Randall
Belcher	Hammer-schmidt	Rarick
Betts	Henderson	Robinson, Va.
Bevill	Hull	Roncalio
Brinkley	Hungate	Rousselot
Burke, Fla.	Hunt	Runnels
Burlison, Mo.	Hutchinson	Ruth
Camp	Johnson, Pa.	Satterfield
Clausen, Don H.	Jones, N.C.	Scherle
Collins, Tex.	Jones, Tenn.	Schmitz
Colmer	Kyl	Sebelius
Crane	Latta	Skubitz
Daniel, Va.	Lujan	Smith, Calif.
Davis, Wis.	McCollister	Snyder
Delaney	Mathis, Ga.	Spence
Derwinski	Mayne	Steed
Dickinson	Michel	Terry
Duncan	Miller, Ohio	Thompson, Ga.
Edwards, Ala.	Mills, Md.	Waggonner
Fisher	Mizell	Yatron
Flynt	Montgomery	Young, Fla.
		Zion

NOES—263

Abourezk	Fuqua	Passman
Abzug	Galifianakis	Patten
Addabbo	Gallagher	Perkins
Albert	Garmatz	Pettis
Anderson, Calif.	Gettys	Pike
Anderson, Ill.	Giaimo	Poage
Anderson, Tenn.	Gibbons	Podell
Andrews, N. Dak.	Gonzalez	Poff
Annunzio	Grasso	Preyer, N.C.
Aspin	Gray	Price, Ill.
Aspinall	Green, Pa.	Pucinski
Badillo	Griffiths	Purcell
Begich	Grover	Quie
Bennett	Gude	Railsback
Bergland	Hamilton	Rangel
Biaggi	Hanley	Rees
Biester	Hanna	Reuss
Bingham	Hansen, Idaho	Rhodes
Blatnik	Hansen, Wash.	Riegle
Boggs	Harrington	Roberts
Bolling	Harvey	Robison, N.Y.
Bow	Hathaway	Rodino
Brademas	Hawkins	Roe
Brasco	Hechler, W. Va.	Rogers
Brooks	Heckler, Mass.	Rooney, N.Y.
Broomfield	Heinz	Rooney, Pa.
Brown, Mich.	Helstoski	Rosenthal
Brown, Ohio	Hicks, Mass.	Rostenkowski
Broyhill, N.C.	Hicks, Wash.	Roush
Broyhill, Va.	Hogan	Roy
Buchanan	Holifield	Roybal
Burke, Mass.	Horton	Ruppe
Burleson, Tex.	Hosmer	Ryan
Burton	Howard	St Germain
Byrne, Pa.	Jacobs	Sandman
Byrnes, Wis.	Jarman	Sarbanes
Byron	Johnson, Calif.	Scheuer
Cabell	Jonas	Schneebeli
Caffery	Karth	Scott
Carey, N.Y.	Kastenmeier	Shipley
Carter	Keating	Shoup
Casey, Tex.	Keith	Shriver
Cederberg	Kemp	Sikes
Chamberlain	Kluczynski	Sisk
Clay	Koch	Slack
Cleveland	Kuykendall	Smith, N.Y.
Collier	Kyros	Staggers
Collins, Ill.	Leggett	Stanton, James V.
Conable	Lennon	Steiger, Ariz.
Conte	Lent	Stephens
Corman	Long, Md.	Stokes
Cotter	McClory	Stratton
Coughlin	McCloskey	Stubblefield
Culver	McCulloch	Stuckey
Daniels, N.J.	McDonald, Mich.	Sullivan
Danielson	McEwen	Symington
Davis, Ga.	McFall	Talcott
Davis, S.C.	McKevitt	Taylor
de la Garza	McKinney	Teague, Calif.
Dellenback	McMillan	Thompson, N.J.
Dellums	Mahon	Thomson, Wis.
Denholm	Mailliard	Thone
Dennis	Mann	Tiernan
Donohue	Martin	Udall
Dow	Mathias, Calif.	Ullman
Downing	Matsunaga	Van Deerlin
Drinan	Mazzoli	Vander Jagt
du Pont	Meeds	Vanik
Dwyer	Metcalfe	Waldie
Eckhardt	Mikva	Wampler
Edwards, Calif.	Miller, Calif.	Ware
Eilberg	Minish	Whalley
Evans, Colo.	Mink	White
Evins, Tenn.	Minshall	Whitehurst
Fascell	Mitchell	Wiggins
Findley	Mollohan	Williams
Fish	Monagan	Wilson, Bob
Flood	Moorhead	Winn
Flowers	Morgan	Wolff
Foley	Morse	Wright
Ford, Gerald R.	Mosher	Wyatt
Forsythe	Murphy, Ill.	Wydler
Fountain	Myers	Wylie
Fraser	Natcher	Yates
Frelinghuysen	Nedzi	Young, Tex.
Frenzel	Nelsen	Zablocki
Frey	Nix	Zwach
Fulton, Tenn.	O'Hara	
	O'Neill	

NOT VOTING—89

Adams	Brotzman	Dingel
Alexander	Carney	Dorn
Arends	Celler	Dowdy
Ashbrook	Chappell	Dulski
Ashley	Chisholm	Edmondson
Barrett	Clancy	Edwards, La.
Bell	Clark	Erlenborn
Blackburn	Clawson, Del	Esch
Blanton	Conyers	Eshleman
Blatnik	Dent	Ford, William D.
Boland	Devine	Goodling
Bray	Diggs	Green, Oreg.
Gubser	McClure	Reid, N.Y.
Hagan	McCormack	Saylor
Halpern	McDade	Schwengel
Harsha	McKay	Seiberling
Hastings	Macdonald, Mass.	Smith, Iowa
Hays	Madden	Springer
Hébert	Melcher	Stanton, J. William
Hillis	Mills, Ark.	Steele
Ichord	Moss	Steiger, Wis.
Jones, Ala.	Murphy, N.Y.	Teague, Tex.
Kazen	Obey	Veysey
Kee	Pelly	Vigorito
King	Pepper	Whalen
Landgrebe	Peyser	Whitten
Landrum	Pickle	Widnall
Link	Pirnie	Wilson, Charles H.
Lloyd	Powell	Wyman
Long, La.	Pryor, Ark.	

So the amendment to the committee amendment was rejected.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Iowa (Mr. SCHERLE) for the committee amendment.

PARLIAMENTARY INQUIRY

Mr. SCHERLE. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. SCHERLE. The amendment that I offered increases the appropriation by $25 million rather than $44 million as expressed by the committee. Is that correct?

The CHAIRMAN. The Chair is aware of the gentleman's amendment.

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

TELLER VOTE WITH CLERKS

Mr. SCHERLE. Mr. Chairman, I demand tellers.

Tellers were ordered.

Mr. SCHERLE. Mr. Chairman, I demand tellers with clerks.

Tellers with clerks were ordered; and the Chairman appointed as tellers Messrs. SCHERLE, CABELL, NELSEN, and FRASER.

The Committee divided, and the tellers reported that there were—ayes 119, noes 210, not voting 101, as follows:

[Roll No. 383]

[Recorded Teller Vote]

AYES—119

Abbitt	Fisher	Michel
Abernethy	Flynt	Miller, Ohio
Andrews, Ala.	Frey	Mills, Md.
Andrews, N. Dak.	Gaydos	Minshall
Archer	Gettys	Mizell
Baker	Goldwater	Mollohan
Baring	Griffin	Montgomery
Belcher	Gross	Natcher
Betts	Grover	Nichols
Bevill	Hagan	O'Konski
Bow	Haley	Poage
Brinkley	Hall	Poff
Burke, Fla.	Heckler, Mass.	Price, Tex.
Burlison, Mo.	Henderson	Quillen
Camp	Hull	Railsback
Chamberlain	Hungate	Randall
Clausen, Don H.	Hunt	Rarick
Cleveland	Hutchinson	Rhodes
Collier	Jarman	Robinson, Va.
Collins, Tex.	Johnson, Pa.	Roncalio
Colmer	Jonas	Rousselot
Crane	Jones, N.C.	Runnels
Daniel, Va.	Jones, Tenn.	Ruth
Davis, Ga.	Kemp	Sandman
Davis, S.C.	Kuykendall	Satterfield
Davis, Wis.	Kyl	Scherle
Delaney	Latta	Schmitz
Dennis	Lennon	Schneebeli
Dickinson	McCollister	Scott
Downing	McEwen	Sebelius
Duncan	McKevitt	Shoup
Dwyer	Mann	Skubitz
Edwards, Ala.	Mathis, Ga.	Slack
	Mayne	Smith, Calif.
		Snyder
Spence	Thone	Wylie
Stubblefield	Waggonner	Young, Fla.
Taylor	Whalley	Zion
Terry	Whitehurst	Zwach
Thompson, Ga.	Wiggins	
Thomson, Wis.	Winn	

NOES—210

Abourezk	Frelinghuysen	Nelsen
Abzug	Frenzel	Nix
Addabbo	Fulton, Tenn.	Obey
Anderson, Calif.	Fuqua	O'Hara
Annunzio	Galifianakis	O'Neill
Aspin	Gallagher	Passman
Aspinall	Giaimo	Patten
Badillo	Gibbons	Perkins
Begich	Gonzalez	Pike
Bennett	Grasso	Podell
Bergland	Gray	Preyer, N.C.
Biaggi	Griffiths	Price, Ill.
Biester	Gude	Pucinski
Bingham	Hamilton	Purcell
Blatnik	Hanley	Quie
Boggs	Hanna	Rangel
Bolling	Hansen, Idaho	Rees
Brademas	Hansen, Wash.	Reuss
Brasco	Harrington	Riegle
Brooks	Harvey	Roberts
Broomfield	Hathaway	Robison, N.Y.
Brown, Mich.	Hawkins	Rodino
Brown, Ohio	Hechler, W. Va.	Roe
Broyhill, N.C.	Heinz	Rogers
Broyhill, Va.	Helstoski	Rooney, N.Y.
Buchanan	Hicks, Wash.	Rosenthal
Burke, Mass.	Hogan	Rostenkowski
Burleson, Tex.	Holifield	Roush
Burton	Horton	Roy
Byrne, Pa.	Hosmer	Roybal
Byrnes, Wis.	Howard	Ruppe
Byron	Jacobs	Ryan
Cabell	Johnson, Calif.	St Germain
Caffery	Karth	Sarbanes
Carey, N.Y.	Kastenmeier	Scheuer
Carter	Keating	Seiberling
Casey, Tex.	Keith	Shipley
Cederberg	Kluczynski	Shriver
Clay	Koch	Sisk
Collins, Ill.	Kyros	Smith, N.Y.
Conable	Leggett	Staggers
Conte	Long, Md.	Stanton, James V.
Corman	McClory	Stephens
Cotter	McCloskey	Stokes
Coughlin	McCulloch	Stratton
Culver	McDonald, Mich.	Stuckey
Daniels, N.J.	McFall	Sullivan
Danielson	McKinney	Symington
Dellenback	McMillan	Talcott
Dellums	Mahon	Teague, Calif.
Denholm	Mailliard	Thompson, N.J.
Donohue	Martin	Tiernan
Dow	Mathias, Calif.	Udall
Drinan	Matsunaga	Ullman
du Pont	Mazzoli	Van Deerlin
Eckhardt	Meeds	Vanik
Edwards, Calif.	Metcalfe	Waldie
Eilberg	Mikva	Wampler
Evans, Colo.	Miller, Calif.	Ware
Evins, Tenn.	Minish	White
Fascell	Mink	Williams
Findley	Mitchell	Wilson, Bob
Fish	Monagan	Wolff
Flood	Moorhead	Wright
Flowers	Morgan	Wyatt
Foley	Morse	Wydler
Ford, Gerald R.	Mosher	Yates
Forsythe	Murphy, Ill.	Yatron
Fountain	Myers	Young, Tex.
Fraser	Nedzi	Zablocki

NOT VOTING—101

Adams	Dent	Hastings
Alexander	Derwinski	Hays
Anderson, Ill.	Devine	Hébert
Anderson, Tenn.	Diggs	Hicks, Mass.
Arends	Dingell	Hillis
Ashbrook	Dorn	Ichord
Ashley	Dowdy	Jones, Ala.
Barrett	Dulski	Kazen
Bell	Edmondson	Kee
Blackburn	Edwards, La.	King
Blanton	Erlenborn	Landgrebe
Boland	Esch	Landrum
Bray	Eshleman	Link
Brotzman	Ford, William D.	Lloyd
Carney	Garmatz	Long, La.
Celler	Goodling	Lujan
Chappell	Green, Oreg.	McClure
Chisholm	Green, Pa.	McCormack
Clancy	Gubser	McDade
Clark	Halpern	McKay
Clawson, Del	Hammer-schmidt	Macdonald, Mass.
Conyers	Harsha	Madden
de la Garza		Melcher

Mills, Ark.	Reid, N.Y.	Steiger, Wis.
Moss	Rooney, Pa.	Teague, Tex.
Murphy, N.Y.	Saylor	Vander Jagt
Patman	Schwengel	Veysey
Pelly	Sikes	Vigorito
Pepper	Smith, Iowa	Whalen
Pettis	Springer	Whitten
Peyser	Stanton,	Widnall
Pickle	J. William	Wilson,
Pirnie	Steed	Charles H.
Powell	Steele	Wyman
Pryor, Ark.	Steiger, Ariz.	

So the substitute amendment was rejected.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE VII

GENERAL PROVISIONS

SEC. 701. (a) The Commissioner of the District of Columbia is authorized and empowered, in his discretion, for the best interests of the District of Columbia, to sell and convey, in whole or in part, to the highest bidder, at public or private sale, for not less than the fair market value thereof, certain real estate now owned in fee simple by the United States of America comprised of approximately 143.15 acres of land, located in Prince Georges County in the State of Maryland, and more particularly described in the deeds conveying said land to the United States recorded on November 7, 1923, in liber 206, folio 384, on August 28, 1923, in liber 206, folio 17, in the land records of Prince Georges County, Maryland.

(b) The Commissioner is further authorized to pay the reasonable and necessary expenses of the sale or sales of such land, and shall deposit the net proceeds of any such sales in the Treasury of the United States to the credit of the District of Columbia.

SEC. 702. Any compensation received by an officer or employee of the District of Columbia government, the direct or indirect source of which is a grant from any Federal agency, department, or instrumentality shall, for the purposes of section 5533 of title 5 of the United States Code (relating to dual compensation) be held and considered to be compensation paid to such officer or employee from regularly appropriated funds.

SEC. 703. Along with, and in addition to, all other financial and budgetary information and data which the Commissioner of the District of Columbia is required annually to submit to the Office of Management and Budget by section 214 of the Budget and Accounting Act, 1921 (31 U.S.C. 22), the Commissioner shall prepare and submit to that Office a schedule showing an estimate of all funds which will be available to any agency, department, or instrumentality of the District of Columbia government, during the fiscal year for which such financial and budgetary information and data are submitted, from grants from any Federal agency, department, or instrumentality, or from any private source. Such schedule shall include such additional information as the Office of Management and Budget deems necessary and appropriate to fully indicate the purposes for which such grants will be made, the scope of the programs funded by such grants, and the relationship between the grant funded programs and the programs of such agency, department, or instrumentality funded by money appropriated directly to the District of Columbia. Such schedule, and such additional information as the Office of Management and Budget may include, shall be transmitted to the Congress along with the annual budget request from the District of Columbia government.

SEC. 704. Section 16 of the District of Columbia Public Assistance Act of 1962 (D.C. Code, sec. 3–216 is amended by inserting "(a)" immediately after "SEC. 16.", and by adding immediately thereafter the following:

"(b)(1) If a recipient fails to make his regular rental payment for a period of ten days after the date such payment was due then the lessor (including a sublessor) of such recipient may send written notice of such failure to the Commissioner. Upon receipt of such notice the Commissioner shall deduct from the monthly public assistance grant for such recipient for the next month following such notice an amount equal to the monthly shelter allotment for such recipient. Such deducted amount shall be disposed of by the Commissioner according to the following provisions of this subsection.

"(2) If it is determined that there is no legal basis for the recipient's failure to make such regular rental payment then the amount deducted and held by the Commissioner shall be paid to the lessor legally entitled to receive such payment. The Commissioner shall continue to deduct such amount from such grant for each month thereafter for so long as such recipient receives such grant, and to pay such amount directly to the lessor of such recipient.

"(3) If it is determined that there is a legal basis for the recipient's failure to make such regular rental payment then the Commissioner shall pay to the lessor legally entitled to receive such payment such part of the amount deducted and held by him as is determined to be owed to the lessor. The Commissioner shall restore to the monthly public assistance grant for such recipient such shelter allotment for each month thereafter for so long as the recipient receives such grant and makes his regular rental payments.

"(c)(1) If any lessor, receiving payments from the Commissioner under subsection (b) fails to maintain the premises of the recipient according to all applicable laws and regulations of the District of Columbia, then the recipient may send written notice alleging such failure to the Commissioner. Upon receipt of such notice the Commissioner shall suspend such payments for such recipient for each month thereafter, and shall hold and dispose of such amount according to the following provisions of this subsection.

"(2) If it is determined that there is no basis for such allegation by the recipient the Commissioner shall pay such amount to such lessor and continue to make such payments for such recipient.

"(3) If it is determined that there is a basis for such allegation by the recipient the Commissioner shall pay to the lessor such part of the amount suspended as is determined to be owed to him. The Commissioner shall restore to the monthly public assistance grant for such recipient the monthly shelter allotment for each month thereafter for so long as the recipient receives such grant and makes his regular rental payments.

"(d) Suspension of rental payments under subsection (b) or (c) above shall not be cause for eviction of any recipient.

"(e) For the purpose of any regulations of the Secretary of Health, Education, and Welfare, or of any other requirement of law, the total amount of assistance given to a recipient shall include that amount suspended and held, or paid by the Commissioner as authorized under subsections (b) and (c). Nothing in this section shall operate to deny to the District of Columbia any funds from any program of the Federal Government relating to public assistance which are paid to the District of Columbia on the basis of the funds appropriated directly to the District for programs administered under this Act."

SEC. 705. (a) Section 7 of the District of Columbia Public Assistance Act of 1962 (D.C. Code, sec. 3–207 is amended by adding the following new subsections:

"(b) After determining that a person is eligible to receive public assistance, the Commissioner shall issue to such person a public assistance identification card which shall be used by such person, in obtaining any public assistance, as a means of identifying him as the proper recipient of such public assistance. The public assistance identification card shall contain the name, social security number, and account or case number of the recipient to whom such card was issued.

"(c) The Commissioner may by regulation prescribe additional uses and requirements with respect to the issuance and use of the public assistance identification card as he deems necessary. Nothing in this section shall be construed to require recipients of public assistance to receive their monthly allotment checks in person at one central location. The Commissioner shall by regulation establish such means of distribution of such checks which, utilizing the public assistance identification card, will insure the least amount of fraud and loss of such checks without unduly burdening the recipients of such checks.

"(d) Any person who sells a public assistance identification card, or otherwise permits any person other than the recipient to whom it was issued to use such card to obtain public assistance to which such user is not otherwise eligible to receive, shall be fined not more than $500, or imprisoned for not longer than one year, or both."

(b) Section 16(a) of such Act is amended by striking out the "or" at the end of clause (2) and inserting immediately after clause (3) the following: "or, (4) a public assistance identification card;".

SEC. 706. During the fiscal year ending June 30, 1972, no person shall be appointed—

(1) as a full-time employee to a permanent, authorized position in the government of the District of Columbia during any month when the number of such employees is greater than 39,619; or

(2) as a temporary or part-time employee in the government of the District of Columbia during any month in which the number of such employees exceeds the number of such employees for the same month of the preceding fiscal year.

SEC. 707. Paragraph (6) of section 4(b) of the District of Columbia Minimum Wage Act (D.C. Code, sec. 36–404) is amended to read as follows:

"(6) any employee with respect to whom the Secretary of Transportation has power to establish qualifications and maximum hours of service pursuant to the provisions of section 304 of title 49, United States Code."

SEC. 708. On square 764 located between D and E Streets and Second and Third Streets South East, in the District of Columbia (the former site of Providence Hospital) there shall be permitted to be erected a building not to exceed in height 90 feet above the D Street curb. Any building erected on such square shall be erected according to specifications prescribed by the Architect of the Capitol.

SEC. 709. Section 106(b) of title I of the Act of September 23, 1970 (relating to the Commission on the Government of the District of Columbia) is amended to read as follows: "The head of any Federal agency or department or agency of the District of Columbia is authorized to provide for the Commission such services as the Commission requests on such basis, reimbursable or otherwise, as may be agreed between the department or agency and the Chairman or Vice Chairman of the Commission. All such requests shall be made by or in the name of the Chairman or Vice Chairman of the Commission. The Administrator of General Services shall provide financial and administrative support services for the Commission on a reimbursable basis."

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the first committee amendment to this title.

The Clerk read as follows:

Committee amendment. On page 10, line 14, strike out "3-216" and insert in lieu thereof "3-215".

PARLIAMENTARY INQUIRY

Mr. HOGAN. Mr. Chairman, I have an amendment at page 8.

The CHAIRMAN. The Chair would ask the gentleman whether it is an amendment to the committee amendment or to the section.

Mr. HOGAN. It is to section 7, Mr. Chairman.

The CHAIRMAN. If the gentleman will allow the Chair to dispose of all the committee amendments to the section, then the gentleman's amendment will be in order at that time.

Mr. HOGAN. I thank the Chairman.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Chair will report the next committee amendment.

The Clerk read as follows:

Committee amendment. On page 10, line 16, strike out "immediately thereafter" and insert in lieu thereof "at the end of the section".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment. On page 10, line 20, strike out "or" and insert in lieu thereof "of".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment. On page 13, line 6, strike out "3-207" and insert in lieu thereof "3-206".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment. On page 13, strike out amended by adding the following new subsections:, and insert the following: amended by inserting "(a)" immediately after "SEC. 7." and by adding at the end of the section the following:

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment. On page 14, line 11, strike out "16(a)" and insert in lieu thereof "17(a)", and insert "(D.C. Code, sec. 3-216(a))" after "Act".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment. On page 15, line 9, strike out "section 304 of title 49, United States Code" and insert in lieu thereof "section 204 of part II of the Interstate Commerce Act (49 U.S.C. 304)".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: On page 15, strike out lines 12 through 18 and insert in lieu thereof the following:

SEC. 708. On square 764, located between D and E Streets and Second and Third Streets Southeast in the District of Columbia (the former site of Providence Hospital), buildings may be erected which may not exceed in height 90 feet above the D Street curb, and which may be used for any purpose permitted under the zoning classification C-4, as that zoning classification is defined by regulations of the Zoning Commission of the District of Columbia in effect on the date of enactment of this Act. Any building erected on such square under this section shall be erected according to specifications approved by the Architect of the Capitol.

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

The CHAIRMAN. The gentleman from South Carolina is recognized.

Mr. BROYHILL of Virginia. Mr. Chairman, will the gentleman yield?

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

Mr. BROYHILL of Virginia. Does the gentleman from South Carolina, the chairman of the committee, intend to offer another amendment to strike all of section 708?

Mr. McMILLAN. Yes.

Mr. Chairman, I voted for this amendment in the committee with the thought that we could increase tax revenues for the District of Columbia as a result of developing the property which is referred to. Since the committee reported the bill there seems to be a great deal of confusion. I believe it would be best for the amendment to be stricken from the bill and hearings held on the subject. I think the Housing Commission has had an opportunity during the past 10 years to use this property if they expected to use it. If the Capitol Housing Commission does not want to use this property, they should permit private enterprise to go in and develop it so that we can get three times the tax revenues out of this property. That is my reason for asking that this item be stricken from the bill. I will call further hearings on this proposal. I am opposed to the amendment.

Mr. FRASER. Mr. Chairman, I rise for purposes of clarification with respect to what procedure we will follow. Let me preface my question. We are now considering that part of the bill which deals with the so-called Providence Hospital site. As I understand, the Chairman wishes to oppose the committee amendment——

The CHAIRMAN. Does the gentleman from Minnesota seek recognition on his own or does he ask the gentleman from South Carolina to yield?

Mr. FRASER. I understood that the gentleman yielded the floor. I was going to ask for time of my own.

The CHAIRMAN. The gentleman from Minnesota is recognized for 5 minutes.

Mr. FRASER. As I understand it, the Chairman is opposing the committee amendment, which rewrites the provision that is found in the bill, but it would still leave the old provision in the bill. My question is, If the committee amendment is turned down, would it be in order to consider at this point a further amendment to strike the old language so there is no reference to this particular piece of property in the bill?

The CHAIRMAN. The Chair will inform the gentleman that a motion to strike would be in order.

Mr. FRASER. I would just say, Mr. Chairman, that if the Chairman's position is consistent; namely, to vote down the committee amendment, I understand he will then offer a further amendment at that point to strike the whole section.

Mr. McMILLAN. That was my intention, but if the gentleman wishes to do so——

Mr. FRASER. I would just as soon that the Chairman do it.

Mr. BROYHILL of Virginia. Mr. Chairman, will the gentleman yield?

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

Mr. BROYHILL of Virginia. It is my understanding that there was a poll of the members of the committee, and it was the consensus of those on the minority side that a committee amendment would be offered by the gentleman from South Carolina to strike section 708 in its entirety because there had been a great many objections raised due to the fact that we had not held hearings on this particular subject. The Chairman has promised us that hearings will be held, and that we will have the matter back before the House in the near future.

Mr. FRASER. I wanted to make clear what we were dealing with in the bill, namely, the Providence Hospital site, and also to clarify the procedure we would follow, and determine that if the Chairman's position is consistent urging the House to vote down the amendment, he will offer a further amendment to take out the whole section.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was rejected.

AMENDMENT OFFERED BY MR. M'MILLAN

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

The Clerk read as follows:

Amendment offered by Mr. McMILLAN of South Carolina:

On page 15, strike line 12 through line 18, as follows:

"SEC. 708. On square 764 located between D and E Streets and Second and Third Streets South East, in the District of Columbia (the former site of Providence Hospital) there shall be permitted to be erected a building not to exceed in height 90 feet above the D Street curb. Any building erected on such square shall be erected according to specifications prescribed by the Architect of the Capitol."

The amendment was agreed to.

PARLIAMENTARY INQUIRY

Mr. HOLIFIELD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOLIFIELD. As I understand it, the two votes that have just been taken have stricken the language which occurs on page 15 from line 12 over to page 16, line 4.

The CHAIRMAN. The gentleman is correct.

Mr. HOLIFIELD. I thank the gentleman.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committe amendment: Page 16, strike out lines 5 through 17, and insert in lieu thereof the following:

SEC. 709. (a) The last sentence of subsection (b) of section 103 of title I of the Act of September 22, 1970 (relating to the Commission on the Government of the District of Columbia), is amended by inserting immediately before the period a comma and the following: "and such report shall be printed as a House document".

(b) Subsection (b) of section 106 of title I of such Act is amended to read as follows:

"(b) The Administrator of General Services shall provide financial and administrative support services for the Commission on a reimbursable basis. The head of any Federal agency or department, or agency of the District of Columbia, is authorized to provide for the Commission such other services as the Commission requests on such basis, reimbursable or otherwise, as may be agreed upon between the department or agency and the Chairman or Vice Chairman of the Commission. All such requests shall be made by or in the name of the Chairman or Vice Chairman of the Commission."

Mr. CABELL (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendment be considered as read, and printed in the RECORD.

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

There was no objection.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 17, after line 11, insert the following:

SEC. 710. (a) Subsection (a) of section 114 of the District of Columbia Sales Tax Act (D.C. Code, sec. 47–2601, par. 14(a)) is amended by adding after paragraph (11) the following new paragraph:

"(12) The sale of or charges for the service of preparing, supplying, or providing advertising and the sale of or charges for the service of advertising by means of television, radio, periodicals, circulars, billboards, magazines, films, motion pictures, directories, shoppers guides, and newspapers, or by any other means."

(b) Subsection (a) of section 201 of the District of Columbia Use Tax Act (D.C. Code, sec. 47–2701(a)) is amended by adding after paragraphs (9) the following new paragraph:

"(10) The sale of or charges for the service of preparing, supplying, or providing advertising and the sales of or charges for the service of advertising by means of television, radio, periodicals, circulars, billboards, magazines, films, motion pictures, directors, shoppers guides, and newspapers, or by any other means."

(c) The amendments made by this section shall take effect on the first day of the first month which begins on or after the thirtieth day after the date of enactment of this Act.

Mr. CABELL (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendment may be considered as read and printed in the RECORD.

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

There was no objection.

Mr. FRASER. Mr. Chairman, I rise in opposition to the adoption of the committee amendment, which is to be found on page 17, line 12.

Mr. Chairman, this is a so-called advertising tax which Members may have heard about in the last few days. I only want to say I opposed this amendment in committee on the same ground I am opposing it now. We did not really consider it very carefully. There were no hearings held on this proposal. There was no real discussion. It is a mischievous tax unless we really search out all its implications, because it deals very much with the interstate character of the printed word and the electronic media.

Mr. Chairman, I think it would be a mistake to try to impose this tax on such a small geographic area, particularly in the absence of hearings to explore the impact it would have on national publications that are centered here and on electronic media, part of which are found in the District and part of which are found outside the District.

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

Mr. FRASER. I yield to the gentleman from Minnesota.

Mr. NELSEN. Mr. Chairman, in the committee there were three votes against this, and two of them were from gentlemen from Minnesota, incidentally.

Mr. Chairman, I want to explain that it was the intention of the gentleman from Ohio (Mr. HARSHA) to speak in opposition to the amendment, but he had to leave town and he left with me a statement which he wishes to have printed in the RECORD.

Mr. Chairman, also I should say at this time I join with the gentleman from Minnesota (Mr. FRASER) in his opposition.

(Mr. HARSHA (at the request of Mr. NELSEN) was granted permission to extend his remarks at this point in the RECORD.)

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

Supposedly, this tax will bring in added revenue for the District of Columbia, but a careful look at the facts clearly indicates that it will do just the opposite. Ultimately, it can only result in a net loss of revenue to the District of Columbia.

Proponents of this amendment contend that advertising should be taxed because there is a sales or use tax on other commodities or services in the District. This ignores, however, the basic differences in the nature and purpose of advertising and, more importantly, the depressing effect which a reduction in advertising would have on the level of retail sales of such commodities or services and the health of the local economy in general.

Since Maryland and Virginia impose comparable taxes on most of the other commodities and services taxed by the District, there is no possible diversion of business from the District as a result of those taxes. But, this clearly would not be the case with respect to the advertising tax. This would put the District's advertising media, printing establishments, advertising agencies, and advertising service companies at a distinct competitive disadvantage since their rivals in the suburbs and elsewhere are not subject to such a tax.

Specifically, the added cost to their services as a result of the tax, and the competitive disadvantage at which they would be placed, might well compel many of these companies to move their operations to the suburbs thereby reducing job opportunities in the city. Any move outside of the District would result in substantial loss of revenue. The decline in the volume of business that would occur from increased taxes might well force companies to reduce employment levels as well. Finally, the tax would discourage new firms from locating in the District, thus further restricting job opportunities and economic growth in the District of Columbia.

Undoubtedly, the diversion of advertising to non-District media to avoid the tax would diminish the income of the metropolitan media subject to the local income tax and result in less revenue to the District.

The proposed sales tax on advertising would become an additional cost burden attached to the underlying services and commodities purchased by consumers. Most products advertised are necessities—food, clothing, and shelter—rather than luxuries. Since the great majority of advertising space purchased from the daily newspapers of the District of Columbia is related to these essential products and services, this added cost burden would fall most heavily on consumers. An advertising tax, therefore, constitutes a "double dip" into the consumer's pocket.

The final contention in the House report that advertisers should pay an advertising tax in order to share equitably the tax burden of the District fails to consider that the retail businesses in the District which would be the primary advertisers affected, already bear a major share of that tax burden. The sharply accelerating decline in the percentage of total metropolitan retail sales accounted for by the District—down 37 percent in 1967 to 31 percent in 1970—demonstrates that it is already difficult enough for retail businesses to survive in the District. To hobble these businesses with an added cost not imposed on their suburban competitors does not make sense from the standpoint of maintaining the District's revenue base.

We must not overlook the important pump-priming effect advertising has upon the profits of the advertisers. These sales and profits constitute the bases of the two prime private revenue sources of the District government—the income tax and the sales tax. The proposed new tax would add materially to the cost of advertising to the advertiser. If this added cost is passed on to the consumer, it may well result in a decline in retail sales and thus revenues from sales taxes and income taxes.

Or, if it is not passed on to the consumer, the added cost of advertising can be expected to result in less advertising—which in turn will still generate less sales. In either case, the effect will be to restrict the general level of business in

the District and its traditional sources of revenue.

Thus, it is apparent that an advertising tax of this nature would have a detrimental effect on the advertisers, the consumers, and the District's revenue in general. It would also dangerously affect the revenue sources of the District's news media.

Quite obviously, in the advertising business in which highly competitive and pragmatic ratings, percentages, and discounts play vital roles in "time" and "space" purchases, even the 4 percent, which if imposed as an "advertising tax" would have to be reflected in increased "time" and "space" rates, would make a great difference in how, with whom, and whether many lucrative advertising contracts would be placed.

District of Columbia businesses operating with small advertising budgets could, understandably, be encouraged, even compelled, to limit, if not cancel, their advertising schedules with District of Columbia stations and place their advertising with those which, just over the boundary, would "cover the market" at lesser cost to the advertisers. In varying degrees, so might national advertisers upon whom all metropolitan area stations and newspapers must depend for their major source of revenue.

Such institutions, in turn, might well be encouraged, if not compelled, to remove their base of operations across the District of Columbia line into Maryland or Virginia to avoid the tax and remain competitive. Certainly, none of this would do the District of Columbia a bit of good. Quite the contrary, it would do the District a great deal of harm, including ironically, the loss of major property, income, sales, and business tax revenue.

Therefore, it is obvious that the proposed tax would be an unwise exercise of legislative discretion and I urge my colleagues to defeat the amendment.

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

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

Mr. HUNGATE. Mr. Chairman, I associate myself with the remarks of the gentleman from Minnesota.

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

Mr. FRASER. I yield to the gentleman from Maryland.

Mr. HOGAN. Mr. Chairman, I associate myself with the remarks the gentleman from Minnesota made. This tax is inherently inequitable inasmuch as TV and radio stations outside the area beam into the same area, and we would put them at an unfair competitive advantage with those located within the District of Columbia.

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

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

Mr. MAYNE. Mr. Chairman, I rise in opposition to the Committee amendment, section 710 of H.R. 11341, which would extend the 4-percent District of Columbia sales tax to "The sale of or charges for the service of preparing, supplying, or providing advertising and the sale of or charges for the service of advertising by means of television, radio, periodicals, circulars, billboards, magazines, films, motion pictures, directories, shopper guides, and newspapers, or by any other means."

While I recognize the critical revenue needs of the District, I believe experience will show that the proposed advertising tax would be counterproductive. My own State of Iowa experimented with such a tax several years ago, when the junior Senator from Iowa—Senator HUGHES—was Governor. It was immediately contested in extensive and expensive litigation. Many national advertisers and advertising agencies refused to pay to Iowa advertising media the increased costs caused by the tax.

Advertisers generally have set advertising budgets, inclusion of the advertising tax thus lowered the net funds allocated for advertising itself. We found that consequent reduction in net spending for advertising had an immediate effect on Iowa advertising media operations, and many Iowa advertising agencies and media had to cut back on personnel. In consequence the State lost the income tax it would have been able to collect on the salaries of these advertising agency and advertising media employees.

Advertising is the seed producing sales. The cutback in advertising caused by the advertising tax was soon reflected in diminished sales. This in turn reduced the revenues from State sales taxes that higher sales would have produced. Reduced sales also resulted in cutbacks in sales personnel and other expenditures by would-be advertisers. This further diminished the income taxes and other taxes these employees and companies would have paid to the State.

Since no States adjoining Iowa had any tax on advertising, both national and Iowa advertisers began to place their advertising with media located in the adjoining States. This further reduced not only the revenue that could be expected from the Iowa advertising tax, but also the revenues from income taxes and other taxes that these Iowa advertising media would otherwise have paid into the treasury of the State of Iowa.

The squeeze on advertising income caused by the advertising tax also affected the quality of the services performed for the public. Advertising operation profits help subsidize the other operations of the media, and reduction of these profits adversely affects a television or radio station's ability to hire quality news and program staffs and to produce public service and educational programs. Newspapers losing advertising revenues must cut costs elsewhere through reducing the quality and/or quantity of their news coverage or special features—or by raising the charge for the newspaper to the public. If the medium's operation is already financially marginal, the new tax and the consequent hardships it invokes upon the news medium can force it to close its doors—contributing further to the centralization of news and information sources in fewer and fewer hands with the media farther removed from the people. Certainly this is not in the public interest.

A tax on advertising may seem attractive to States and local governments desperate for revenues—but in practice we in Iowa have found such a tax is difficult and expensive to collect. The tax in actual operation proved to be counterproductive and even destructive.

As a result of this sad experience, the Iowa General Assembly under the leadership of Governor Ray quickly repealed the Iowa tax on advertising. I understand most other jurisdictions which imposed such taxes have regretted this action and repealed the tax.

For all the above reasons I am strongly opposed to the 4 percent advertising tax which would be imposed by section 710 of H.R. 11341, a provision adopted by the House District of Columbia Committee without benefit of hearings. It is of particular importance that our Nation's Capitol be served by strong, intensely competitive, quality media and I believe the adoption of the proposed tax could not help having a damaging effect on these media, and on their ability to render adequate service to the public.

Mr. Chairman this tax is not in the best interest of the people of the District of Columbia or the Nation. It would establish a poor precedent, encouraging other jurisdictions to enact or reenact similar taxes. It will tend to restrict our economy. I urge my colleagues in joining with me to defeat this unwise proposal, and to strike section 710 from the District of Columbia Revenue Act.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

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

(Mr. BROWN of Ohio asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. BROWN of Ohio. Mr. Chairman, I rise in opposition to Section 710 of the District of Columbia Revenue Act. That section amends the District of Columbia sales tax to include a tax on advertising whether it be by means of television, radio, periodicals, circulars, billboards, magazines, films, motion pictures, directories, shopping guides, and newspapers.

No large State or urban area in the country imposes such a modern day stamp act. It is well known that the States of Maryland and Virginia do not have such a tax, and so a District of Columbia tax will divert advertising revenues to the suburbs.

Even of more importance is that the advertisers who pay this tax will be for the most part retailers, and they already bear a major share of the tax burden. Thus, this is not a tax on the media; it is a tax to be borne by retailers and consumers.

This is, I believe, a subtle effort to subdue institutions which inform people and criticize government. Advertising is necessary to help people know where they can purchase particular goods or services for what price; and many of those goods and services are essential.

This tax is not needed, it will not raise substantial revenue, and it is unfair.

Mr. FRASER. Mr. Chairman, before my time runs out, I wish to say we will be in a position of voting down the committee amendment—that is a no vote—

in order to prevent this tax from going into effect.

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

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

Mr. THONE. Mr. Chairman, the District of Columbia revenue bill (H.R. 11341) contains an amendment to levy a 4-percent tax on the sale of advertising and related services including printing. The proposed tax on advertising should be eliminated from the bill.

Advertising stimulates the economy. Therefore, any tax on advertising is counterproductive. The tax would stifle advertising that would promote sales to help create additional jobs and income. All knowledgeable businessmen agree that profitable merchandising requires advertising to aid consumers in selecting between products and in stimulating interest in the goods or services the businessmen have to offer. It is advertising that primes the pump to keep the retailers of Washington going. And it is these retailers who pay most of the sales and income taxes of the District. A tax on advertising could cause revenues from District sales and income taxes to decline.

In 1969, when the House and Senate held hearings on the possibility of a tax on advertising in the District, both bodies rejected the proposal.

While a tax on advertising is unwise anywhere, it would have particularly adverse effects in Washington. One of the area's greatest problems is the flight of business to the suburbs outside the District. A tax on advertising within the District could cause advertising agencies, artists' studios, typesetters, engravers and printers to leave Washington. A tax on advertising would cause more advertising to be placed with news and entertainment media in Virginia and Maryland and less with those physically headquartered in Washington.

National organizations representing labor, business, civic and professional associations produce in Washington magazines, newspapers and newsletters for distribution to their members. It would be particularly unfair to tax the printing done for members of these associations, almost none of whom live in the District.

Currently, the Nation is operating under a price freeze. It appears that it will be difficult to obtain price increases during phase II. Therefore, it would be unfair to place the added cost of an advertising tax on District of Columbia merchants and businessmen without evaluation of their ability to pass on these costs.

There are also serious legal questions involved in the proposed tax on advertising. If any State would attempt to tax advertising involved in interstate commerce it would be in violation of the commerce clause of the Constitution. Such a tax for the District of Columbia would be in contravention of the codified policy that Congress will not impose a tax that a State would be without power to enact.

The proposal does not attempt to apportion intra-District and interstate advertising, in order to tax only the portion of revenue derived from intra-District advertising.

Thirty-five years ago in Fisher's Blend Station, Inc. against the Tax Commission, the court ruled that:

> By its very nature, broadcasting transcends state lines and is national in its scope and importance—characteristics which bring it within the purpose and protection, and subject it to the control, of the commerce clause.

Let me summarize the principal reasons why I believe a tax on advertising should be stricken from the District of Columbia revenue bill. The tax on advertising would produce less total revenue for the District instead of more. The tax would drive advertising businesses and retail establishments from the District to the suburbs. The tax might cause many national associations to move their headquarters out of Washington. And finally, there are serious legal questions concerning the legality of a tax on advertising. This proposed tax must be stricken from the District revenue bill.

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

Mr. FRASER. I yield to the gentleman from Colorado.

Mr. McKEVITT. Mr. Chairman, I also rise in opposition to the committee amendment.

Mr. Chairman, I also rise in opposition to the committee amendment. Over the past 2 years or so, no less than 18 State legislatures have defeated similar attempts to tax advertising. But even beyond this, it appears the courts would declare this proposed 4-percent tax to be unconstitutional, at least on the basis of rulings in similar cases.

But despite this, enactment of a tax against advertising in the District of Columbia would set a precedent at the congressional level and might stimulate new attempts to levy such taxes throughout the Nation which would harm the advertising media, agencies, and suppliers.

I urge my colleagues to strike section 710 of H.R. 11341.

Mr. HORTON. Mr. Chairman, I rise in favor of the Fraser amendment and in opposition to section 710 of the District of Columbia Revenue Act as reported out of committee. This section proposes a 4-percent tax on the sale of advertising and related services.

Having had the privilege to serve on the House District Committee from 1963 to 1969, I am acutely aware of the District's critical financial plight stemming primarily from the high proportion of Federal and non-Federal tax-exempt property in the city. Congress has long recognized the necessity of helping the District make up for these lost tax funds.

The 4-percent tax on advertising has been offered as one means of bolstering the city's revenue. In my view, however, the proposed sales tax on advertising could have a serious adverse effect on the economy of the District.

By assisting consumers in selecting between products and creating new demand for products, advertising increases the level of retail sales in the District as well as the profits of the advertisers. These sales and profits constitute the bases of the two prime private-revenue sources of the District government; namely, the sales tax and the income tax.

The proposed new tax would add significantly to the cost of advertising. To the extent that this added cost is passed on to the consumer, it may well result in a decline in retail sales. To the extent that this added cost of advertising is not passed on to the consumer, it can be expected to result in less advertising, which will generate less sales. In either case, the effect will be to restrict the general level of business in the District and its traditional sources of revenue.

It should also be noted that Maryland and Virginia impose comparable taxes on most of the commodities and services taxed by the District and there is no diversion of business from the District as a result of those taxes. The proposed advertising tax, however, would place the District under a distinct competitive disadvantage with the suburbs and other areas where such a tax does not exist. Retail businesses have enough trouble trying to survive in the District. From the standpoint of maintaining the District's revenue base, it does not make sense to hamper these businesses with an added cost which their suburban competitors will not face.

In the past 2 years, 18 State legislatures have defeated similar efforts to tax advertising in recognition that such a tax would be counterproductive. An advertising tax of only 2 percent was rejected by the House District Committee in 1969 and no hearings were held on the 4-percent tax before us today.

Mr. Chairman, in light of the serious economic pitfalls involved in the tax on advertising and the fact that little consideration was given this proposal in committee, I believe it is imperative that we reject section 710 of the bill under deliberation.

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

Mr. Chairman, I have no illusions about what is going to happen to this provision. I know of the pressures you have been under.

In 1969 the government of the District of Columbia sent its tax bill to Capitol Hill. This was an item in the bill. After hearings on the bill, the subcommittee included the item in the bill—and then the roof fell in, just as it has in the past few days.

I offered this amendment in the committee. It was overwhelmingly and enthusiastically received. Although there were 15 members of the committee present at the time the vote was taken. The vote was 12 to 3. With the announcements Members have heard on the floor here today, this is about the 19th vote I have heard said to have been made against the bill, and I can find none who say they were for it.

I am sure we are not going to find any member who voted for this amendment, although it came out of the committee 12 to 3. They have all joined the church; and I cannot much blame them.

I have in my pocket a letter which came to other Members and to me, from a representative of America's press, the

National Newspaper Association. They have 6,600 members belonging to this association. This is in addition to the several thousand radio and television stations in the United States. Of course they do not want to collect the tax that their neighboring business houses next door to them are collecting. No one wants to be taxed. And we always fight back at such.

There are eight States in the United States which have this tax.

Some of these people have written in and said that this tax interfered with freedom of the press.

I talked with the editor of one of my papers, and asked him if he paid income taxes. He said "Yes." I asked if that interfered with freedom of the press, and he said "No." I asked if he paid corporate taxes, and I asked if he paid ad valorem taxes on his real estate, and he said, "Yes." I asked if he paid personal property tax on his equipment in the plant, and he said "Yes." But the contention is these other taxes do not interfere with freedom of the press.

Why then does the sales tax interfere with freedom of the press I cannot understand such logic.

Next door to this particular newspaper is a merchant. Upon what he sells he is required to collect a sales tax. This merchant offers merchandise for sale. Sales taxes are collected on everything in that town, except on advertising. Advertising space is merchandise.

Why should they not pay the same tax the merchant pays? Why collect the tax from everyone else in the community, on sales, except advertising sales? Frankly, I cannot see it. Perhaps after this vote is taken I will be able to see it, but up to now I just do not see it.

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

Mr. ABERNETHY. I yield to the gentleman from Indiana.

Mr. JACOBS. I ask in all seriousness whether advertising, for example, sold to a corporation is a retail sale or a wholesale sale?

Mr. ABERNETHY. I do not know what it is. It is a sale if he makes a sale. He has advertising space in his paper to sell. If he sells it, just like a merchant sells a suit, why should he not pay the same sales tax?

Mr. JACOBS. I just do not know whether we are dealing with a retail sales tax or a wholesale sales tax.

Mr. ABERNETHY. This is retail sales. I do not see that there is any distinction between sales, such as the sale of advertising or the sale of a suit of clothes from a store. Both are sales.

I full well know what the Members are going to do. At the same time, I am not trying to present myself as any brave person. I believe it is wrong to require a person who sells clothing or one who repairs a watch, as they have to do in the District, or one who sells food, to collect sales taxes, and yet not collect the same tax from the man who sells advertising.

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

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

Mr. ROUSSELOT. Did I correctly understand the gentleman to say this was recommended by the city government of Washington, D.C.?

Mr. ABERNETHY. Yes, sir.

Mr. ROUSSELOT. In other words, in their great effort to be sure to protect civil liberties they recommended it?

Mr. ABERNETHY. In their effort to go as far as they could in providing revenues from their own sources of revenue they recommended that this tax be invoked.

Mr. ROUSSELOT. Yet we are being asked to accept a bill here today that increases the cost to this Government by $44 million and includes chauffeurs who get $22,000 a year——

Mr. ABERNETHY. Now, just wait a minute before you leave the wrong impression. I did not vote for that. I have been voting with you against such all afternoon. Regrettably we did not have enough votes.

Mr. ROUSSELOT. But my point is this is a responsible government that set this kind of thing up.

Mr. ABERNETHY. I am not saying whether it is or not. I am speaking of the fairness of the tax. If the sales tax is to be applied to one person who sells something, I think it ought to be applied to all.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent (at the request of Mr. CABELL) Mr. ABERNETHY was allowed to proceed for 2 additional minutes.)

Mr. CABELL. Will the gentleman yield?

Mr. ABERNETHY. Yes. That is the least I can do considering the situation I am in.

Mr. CABELL. I think the record ought to reflect that when the rather extensive hearings were held on this bill not a single member of the operational organization of any of the local media appeared in person to protest the placing of this tax.

Mr. ABERNETHY. Will the gentleman let me say something right there?

Mr. CABELL. I will be glad to.

Mr. ABERNETHY. The only protest that has been made by any newspaper or radio station or television station in the District of Columbia is radio WMAL. They have been running a radio editorial for the last 2 days about every 30 minutes against this tax. They were hoping you would hear it, and I am sure you did hear it.

When we had the hearings on this the reporters for the newspapers and news media were sitting at the press table in the committee room. I called their attention to the fact that they were there and suggested that if their employers opposed this tax, we would be glad to have them appear in the well of the committee and testify. Not one of them appeared. Not one.

Mr. CABELL. Will the gentleman yield for a further brief observation?

Mr. ABERNETHY. Surely.

Mr. CABELL. I believe that the question has been definitely settled as to the power of the press.

Mr. ABERNETHY. Oh, listen. I know the pen is more powerful than the sword. I have found that out in the last few days.

Mr. HOGAN. Will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman.

Mr. HOGAN. I would like to make one comment.

I think in all fairness—and I have been as harsh in my criticism of mismanagement in the District of Columbia government as anyone—I think the gentleman from California was really unfair when he criticized the District of Columbia government for opposing such a tax when seven other States already had it.

Mr. ABERNETHY. I think there are eight such States.

Mr. HOGAN. I think it was unfair, I want to say that for the record.

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

Mr. Chairman, I do not believe that there were any hearings held on this issue in this Congress. I would like someone to correct me if I am wrong about that. I do not think that we had any hearings on this bill in this Congress or that the District government recommended this tax in this Congress. Am I incorrect about that? I do not think I am.

That, as I understood it, was put in the bill at the last mark-up. Zip. We were looking for money and we did not get a commuter tax, which a lot of us think would be great. This advertising tax went in at the last minute.

So it seems to me it is worthy of more consideration than if we were to impose such a tax in this Congress.

Mr. FRASER. Will the gentleman yield to me?

Mr. HUNGATE. I yield to the gentleman from Minnesota.

(By unanimous consent (at the request of Mr. FRASER) Mr. ROONEY of Pennsylvania was allowed to extend his remarks at this point in the RECORD.)

Mr. ROONEY of Pennsylvania. Mr. Chairman, section 710 of the District of Columbia Revenue Act would impose a 4-percent sales tax on advertising in newspapers, magazines, billboards, radio, and television in the District. I strongly object to the proposed tax, both because it would pose a serious economic threat to the competitive commercial standing of the city and because attempts by other cities to impose a similar tax have shown such revenue measures to be administratively and legally unsound.

Money is spent on advertising for only one reason, to persuade potential customers to purchase goods and services. Sales are generated through advertising, and the more advertising is used the more likely sales will be increased. This in turn should produce lower product cost and more tax dollars for the taxing authority from its sales tax and other income and revenue taxes imposed upon producers, distributors, retailers, the advertising media and all their employees. Discouraging advertising, by taxing it and raising its cost, can in reality be a shortcut to reaching a point of diminishing return, independent of any adverse impact reduced product and service demand can have on our economy.

Although advertisers purchase a service, they never acquire possession of the actual means utilized to disseminate their advertisements. Advertising is the

cheapest and most effective substitute for personal selling to potential customers. Buyers rely on it for information on prices, products, and where to buy. There is no more justification for a tax on advertising than there would be to tax every salesman for each call he makes on a prospective customer, or to tax store clerks when they wait on customers.

Experience has shown that advertisers usually cannot and will not absorb the increased cost of a tax on their advertisements. Budgets are allocated and fixed. This means merchants must either reduce their selling effort by working less advertising copy or pass the cost on to consumers in increased prices. If the tax is passed on, customers pay twice—both the advertising tax and the sales tax on the merchandise.

I believe the most unfair feature of such a tax is its devastating adverse impact on local commerce, and advertisers and communications media physically located within the geographic boundaries of the taxing jurisdiction. The tax would force local people to compete with merchants and members of the communications media located outside the District who do not pay an advertising tax and can sell and deliver advertisements for less. Local advertising service businesses will either move out of the District to permit clients to avoid the tax or will reduce their advertising budgets to allow for the tax allocation, resulting in decreased sales and thereby slowing the city's economic growth.

Mr. Chairman, I see no justification for imposition of this tax and strongly urge my colleagues to delete section 710 of the bill.

Mr. GRAY. Will the gentleman yield?

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

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

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

Mr. GRAY. I thank my friend for yielding. Mr. Chairman, I rise to ask someone on the committee as to how much this proposed amendment would raise in the form of new revenue. I have not heard that figure mentioned and it might be of some help to Members who are undecided on the question.

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

Mr. HUNGATE. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. I checked with the District officials and they indicated to me that it would raise $2 million.

Mr. HUNGATE. Mr. Chairman, I urge defeat of this advertising tax as an impost on free speech and yield back the balance of my time.

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

Mr. Chairman, I rise in opposition to the committee amendment, section 710 of H.R. 11341.

Section 710 subjects all advertising by means of television, radio, periodicals, circulars, newspapers, and all other forms of advertising media to the 4-percent District of Columbia sales and use tax.

The cost of preparing and supplying such advertisement is also subjected to the same tax.

It has been estimated that this tax on advertising will yield a return of approximately $2 million annually. However, this anticipated revenue will never materialize.

What this tax on advertising will do will be to drive radio and television stations out of the city so that the District of Columbia will actually lose its present real estate tax revenues from these stations, as well as losing some jobs. These radio and television stations could reach the people in the District of Columbia and the surrounding suburbs without paying the District of Columbia sales and use tax.

This tax on advertising can result in the move of local industries to another area, where to meet competition, an advertiser does not have to pay such a tax on his advertisements. This could also involve trade and other publications headquartered here in Washington.

A prime example of the detrimental effects of this tax on advertising is the analogy of the Philadelphia Stock Exchange. When Philadelphia announced that it was going to place a tax on the trading of shares, the Philadelphia Stock Exchange announced that it was moving to a nearby Philadelphia suburb. Needless to say, the tax on the transfer of stock shares was quickly eliminated.

Further, no State or municipality currently has a sales tax on advertising. In the few instances where it has been tried in the past, it has been found to be unworkable and illegal.

The proposal contained in section 710, which my amendment would strike, does not provide for the apportionment of intra-District and interstate advertising services to the end that only that portion of advertising revenues which is derived from local sevices is to be taxed. Nor do the provisions of section 710 obviate the possibility of multiple-taxation by States into which go the TV and radio broadcasts, newspapers and magazines.

In *Fisher's Blend Station, Inc.* v. *Tax Commission*, 297 U.S. 650 (1936), the State of Washington had levied an occupation tax measured by gross receipts upon a radio station whose revenues came entirely from broadcasting advertising programs. Some of the programs originated in the State of Washington. Other programs were received by wire from other States, and the station merely sent out over its transmitter the out-of-State advertisements. The United States Supreme Court held that

> As appellant's income is derived from interstate commerce, the tax, measured by appellant's gross income, is of a type * * * to be an unconstitutional burden on interstate commerce.

This case, and a number of other similar cases, clearly prove that the provisions of section 710 are unconstitutional.

There are numerous publications with the principal place of business in the District but with circulation either chiefly or substantially outside the District. It is this substantial interstate character of many of the publications which would be subject to the District of Columbia tax which distinguishes the impact of this tax from a tax on a publication which is wholly prepared, edited and published within the District of Columbia.

I urge my colleagues to support my amendment and strike section 710 of H.R. 11341.

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

The CHAIRMAN. The gentleman is recognized for 5 minutes.

MOTION OFFERED BY MR. CABELL

Mr. CABELL. Mr. Chairman, I shall not use the 5 minutes. However, due to the very obvious fact that we are whipping a dead horse, I move that all debate on this amendment and all amendments thereto cease as of now.

The motion was agreed to.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was rejected.

AMENDMENT OFFERED BY MR. JACOBS

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

The Clerk read as follows:

Amendment offered by Mr. JACOBS: On page 15, strike lines 6 through 11 and insert:

"(6) any driver, driver's helper, loader, or mechanic (A) engaged in work which directly affects the safety of operation of a motor vehicle, and (B) who is employed by an employer for whom the Department of Transportation has issued a certificate of authority pursuant to Section 204 of part II of the Interstate Commerce Act (49 U.S.C. 304)."

Mr. JACOBS. Mr. Chairman, earlier in the proceedings today reference was made by a number of Members about the welfare situation in the District of Columbia. If I am not mistaken, the record will show that more than one Member complained about people who do not or will not work in the District of Columbia. One reference was made to an apartment building which happens to be located right across the street from where I live. I believe that Member suggested that the situation was so bad that maids could not be found to take jobs to make beds in that apartment building. As it happens, I live across the street from that apartment building and I make my own bed every morning.

So I would like to say just a word for the people who work in the District of Columbia, the truck drivers. This section of the bill deals with whether these truck drivers are going to be paid overtime for the work they do. It simply provides that any trucking company in interstate commerce which the Department of Transportation "can" certificate will not be subject to the wage and hour laws of the District of Columbia.

My amendment simply says that exceptions to the District of Columbia wage law will be made for any trucking company in the District of Columbia which the Department of Transportation "does" certificate, not "can" certificate. If we leave it as it stands you will have a no-man's land in the law, no regulation by the Interstate Commerce Commission, and no regulation by the wage and hour people of the District of Columbia.

Let me just give you a little profile of the fellow who hops in that truck at 6

o'clock in the morning, and starts making deliveries around this town—he works.

I figured out what the average wage in the District of Columbia was for the truck driver. He averages, without overtime, $116 a week.

Do you know what I did? I took $42,500 and I divided it by 365. That is the salary of a Member of Congress—$42,500. Do you know how that came out? That came out to $116 a day.

Now, somebody ought to jump up right now and say, "Yes, but that is 7 days a week, and the other thing is for 5 days."

Now, my dear colleagues, all in God's world I am asking you to do is let this truck driver be protected, either by the Interstate Commerce Commission or by the wage and hour laws in the District of Columbia. Do not leave him suspended in no-man's land with no kind of protection at all for his wages.

I cannot think of anything worse than for politicians to pass any kind of legislation that would do a man or a woman out of his or her just reward for honest toil.

So I urge that this, what I must call a perfecting amendment, be accepted.

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

Mr. JACOBS. I yield to the gentleman from Minnesota.

Mr. NELSEN. Mr. Chairman, I am not sure I understand exactly what the gentleman is saying.

A year ago, in the conference committee we found that the trucking industries that were domiciled here, but engaged in interstate transportation, found themselves in a situation where their wage levels had to comply with those in the District of Columbia, which were higher than the Federal regulations provided, with respect to overtime pay. Therefore, they were not in a position to compete in interstate commerce.

Mr. JACOBS. Does the gentleman really believe that $116 a week for hard work all day is not a competitive wage for a businessman to have to pay?

Mr. NELSEN. I might point out that what we did a year ago was to provide that drivers who worked in excess of x hours in interstate operations came under the Federal wage and hour law.

I am only asking whether what you are doing really is to put them all under the District of Columbia minimum wage law even if they are in interstate commerce?

Mr. JACOBS. No, no, the gentleman misunderstands.

All I am saying is that they must either be afoot or on horseback. If they are regulated by the Interstate Commerce Commission, that is to say, if the commission actually certificates that particular company it is exempt from the wage and hour law of the District of Columbia.

The amendment as it stands now merely says—"if they" can "be certificated" by the Interstate Commerce Commission, they will not be subject to the wage and hour laws of the District of Columbia.

I do not see how anybody can find fault with this amendment, which says they actually must be regulated by the ICC.

Mr. NELSEN. I thank the gentleman.

Mr. CABELL. Mr. Chairman, I rise in opposition to the gentleman's amendment to the committee amendment.

Mr. Chairman, I call attention first to the fact that we are not talking about the payment of minimum wages. This involves, if I understand it correctly, only the payment of premium overtime. The gentleman's arguments have a certain validity, but I think he has overlooked this situation—that a small company doing packing or moving, even though it is not interstate in its operation, still has to compete with those operators who are certificated for interstate operation and, therefore, if he is hit with premium overtime in competition with a certificated carrier, he is completely out of competition and instead of this amendment helping the local worker, it can only work to hurt him. If his employer cannot compete, he is going to lose business and if he has to comply with this premium overtime provision that would be applied in the gentleman's amendment, then he will reduce to the 40-hour week and then the worker will not get the overtime that he would earn on a straight time basis.

Mr. Chairman, I sincerely hope that the committee will take into consideration this aspect of it.

Now this provision of the bill was passed by the 91st Congress in virtually the same form as is being presented here today. This was done after very extensive hearings. There is a very comprehensive description of the situation in the committee report.

I will say that hearings on this subject were not held in the 92d Congress, but were held just a year ago. The hearings were quite exhaustive, and I believe we are bringing to you an amendment, the committee amendment to this bill, that will redound to the benefit of the workers in the District of Columbia, rather than to hurt him.

In the 91st Congress, the House approved language similar to the provisions of the pending bill to reassert the right of interstate motor carriers to operate under the provisions in the Fair Labor Standards Act and the Motor Carrier Act. Hearings were held on this matter in September 1970, and were printed.

The committee report shows in detail the distortion of the 1966 Minimum Wage Act maneuvered by the District agency to change the authority of law and impose regulations on locally based carriers which are not applicable to their competitors. Since 1938, local carriers operated without competitive disadvantage until the recent ruling by the local Wage Board. In the immediate area, Maryland has no similar restrictions and Virginia has no such provisions of law. Local carriers, being unable to compete on even terms, have been moving to the suburbs where they can come and go in the District, free from the local regulations.

Printed hearings on the bill show clearly that nothing in the legislation was intended to affect interstate carriers. The chairman of the subcommittee, Mr. Multer, of New York, stated:

Let's get it clarified on the record. The Fair Labor Standards Act is Federal statute that applies throughout the country, generally speaking, to all interstate commerce workers, including those in the District of Columbia. Neither the Multer bill (H.R. 648) nor the Commissioners' bill (H.R. 6494) affects that in any way whatsoever, nor does it intend to.

There are only 31 certificated interstate carriers who have their base operations in the District. Most of these are in process or contemplating leaving the District because of agency harassment under its unwarranted interpretation of jurisdiction.

The Motor Carrier Act regulations and the Fair Labor Standards Act exemption apply only to a very limited number of employees performing functions related to safety of lives and property moving across State lines. In any case, all the usual local employees—maintenance men, laborers, clerks, typists, stenographers, bookkeepers, and others—are fully subject to local regulations of the District as similar employees are in other jurisdictions.

Had it not been for the District government action, most of the 250 carriers having offices in the metropolitan area might be centrally located in Washington. Certainly most of those who have moved would have remained in the District. Approval of this bill with section 707 included will open the way to remedy the damage done.

Mr. BROYHILL of Virginia. Mr. Chairman, will the gentleman yield?

Mr. CABELL. I yield to the gentleman.

Mr. BROYHILL of Virginia. The purpose of this section of the bill has an effect somewhat similar to that of the advertising tax amendment that was taken out, in that we are trying to increase the revenue in the District of Columbia or rather we are trying to prevent the loss of revenue.

This language does not hurt any individual. It does not take any rights away from any individual. It helps to encourage this industry to stay in the Nation's Capital and not to move to the suburbs where the workers will have the same protection that we are trying to provide them in the District of Columbia.

Mr. CABELL. I thank the gentleman.

Mr. Chairman, I do want to commend the gentleman from Virginia because he is working against his own best interests because if this amendment is not passed; he is going to get some more employment over in Virginia.

Mr. BROYHILL of Virginia. I am glad the gentleman has made the observation that we in the suburbs are generous people.

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

Mr. CABELL. I yield to the gentleman.

Mr. JACOBS. Just for the purpose of bringing my own amendment back into focus—I could have voted in opposition to the committee amendment, but I did not do that.

All I am saying is—let them be regulated either by the Interstate Commerce Commission or the wage and hour division.

Let the Interstate Commerce Commission issue a certificate and they are not under the wage and hour law.

I am just asking that we not leave these workers in a no man's land.

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

Mr. Chairman, I would not take the time of the Committee, but the problem is that the gentleman from Indiana (Mr. JACOBS) was proposing an amendment to clarify certain language and the gentlemen from Texas and Virginia were talking about an entirely different problem. They were not connecting.

Let me just explain what is involved here. The last time around on the revenue bill there was an effort made to say that any of these truckers who are in interstate commerce would not be subject to the District's fair labor standards law, particularly the overtime provision. We got a compromise so that if a worker spent half of his time in the District, then he would be covered by overtime.

What the committee amendment does is to wipe out that compromise and say that an employee in a trucking firm that is in interstate commerce will not get any overtime protection.

Mr. JACOBS is not proposing to disturb that. He is not trying even to go back to last year's compromise. He, in effect, is accepting the Committee position, with one exception. What he is saying is that the carrier ought to be actually certificated by the Interstate Commerce Commission if the exemption is to prevail, rather than letting the standard be that the carrier would be eligible for certification.

With that explanation I wonder if the Committee would not be willing to accept the amendment because it only says that the carriers ought to have gotten the approval of the ICC.

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

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

Mr. CABELL. It was felt that the amendment would actually have the results that the gentleman stated. Many of these small operators have no occasion to go into interstate commerce. Therefore, they have no occasion to carry an ICC certification. So the mere fact that this would be confined to those holding certificates still leaves the little man who has no occasion to go interstate outside the metropolitan area out in the rain, so far as his being able to compete with certificated carriers is concerned.

Mr. FRASER. But the point is that if any interstate commerce is involved, they should not be entitled to the exemption of the Interstate Commerce Act. All we are saying is that if they are certificated, they should get the exemption. If they are not certificated, they do not have to. That seems to be very plain and simple. It is a very simple amendment, and I would think the chairman would want to take it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana (Mr. JACOBS).

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

TELLER VOTE WITH CLERKS

Mr. JACOBS. Mr. Chairman, I demand tellers.

Tellers were ordered.

Mr. JACOBS. Mr. Chairman, I demand tellers with clerks.

Tellers with clerks were ordered; and the Chairman appointed as tellers Messrs. JACOBS, CABELL, NELSEN, and FRASER.

The Committee divided, and the tellers reported that there were—ayes 139, noes 179, not voting 112, as follows:

[Roll No. 384]

[Recorded Teller Vote]

AYES—139

Abourezk	Gaydos	Obey
Addabbo	Giaimo	O'Hara
Anderson, Calif.	Grasso	O'Konski
	Gray	O'Neill
Anderson, Tenn.	Gude	Passman
	Hall	Perkins
Annunzio	Hamilton	Pike
Aspin	Hanley	Podell
Baker	Hansen, Wash.	Price, Ill.
Baring	Harrington	Pucinski
Begich	Hathaway	Rangel
Bennett	Hawkins	Rees
Bergland	Hechler, W. Va.	Reuss
Bevill	Heinz	Riegle
Biester	Helstoski	Rodino
Bingham	Hicks, Mass.	Roe
Blatnik	Hicks, Wash.	Roncalio
Boggs	Holifield	Rosenthal
Boland	Horton	Rostenkowski
Bolling	Howard	Roush
Brademas	Hull	Rousselot
Brinkley	Hungate	Roybal
Burke, Fla.	Jacobs	Ryan
Burke, Mass.	Johnson, Calif.	St Germain
Burton	Karth	Sarbanes
Byrne, Pa.	Kastenmeier	Scheuer
Caffery	Kluczynski	Seiberling
Carey, N.Y.	Koch	Sisk
Conte	Kyros	Smith, Calif.
Cotter	Leggett	Stanton, James V.
Coughlin	McCloskey	
Culver	McDonald, Mich.	Steed
Daniels, N.J.		Stokes
Danielson	McKinney	Stratton
Dellums	Matsunaga	Sullivan
Donohue	Meeds	Symington
Dow	Metcalfe	Thompson, N.J.
Drinan	Mikva	Tiernan
Duncan	Miller, Calif.	Udall
Eckhardt	Minish	Ullman
Edwards, Calif.	Mink	Van Deerlin
Eilberg	Mitchell	Vanik
Fascell	Monagan	Wolff
Flood	Moorhead	Wright
Foley	Murphy, Ill.	Yates
Fraser	Natcher	Yatron
Fulton, Tenn.	Nedzi	Zablocki
Gallagher	Nix	

NOES—179

Abbitt	Crane	Haley
Abernethy	Daniel, Va.	Hansen, Idaho
Anderson, Ill.	Davis, Ga.	Harvey
Andrews, Ala.	Davis, S.C.	Heckler, Mass.
Andrews, N. Dak.	Davis, Wis.	Henderson
	de la Garza	Hogan
Archer	Delaney	Hosmer
Arends	Dellenback	Hunt
Aspinall	Denholm	Hutchinson
Belcher	Dennis	Jarman
Betts	Dickinson	Johnson, Pa.
Biaggi	Downing	Jones, N.C.
Bow	du Pont	Jones, Tenn.
Brasco	Dwyer	Keating
Brooks	Edwards, Ala.	Keith
Broomfield	Evans, Colo.	Kemp
Brown, Mich.	Evins, Tenn.	Kuykendall
Brown, Ohio	Findley	Kyl
Broyhill, N.C.	Fish	Landrum
Broyhill, Va.	Fisher	Latta
Burleson, Tex.	Flowers	Lennon
Burlison, Mo.	Ford, Gerald R.	Lent
Byrnes, Wis.	Forsythe	Long, Md.
Byron	Frelinghuysen	McClory
Cabell	Frenzel	McCollister
Camp	Frey	McCulloch
Carter	Fuqua	McEwen
Cederberg	Garmatz	McFall
Chamberlain	Gettys	McKevitt
Clausen, Don H.	Gibbons	McMillan
	Goldwater	Mahon
Cleveland	Gonzalez	Mann
Collier	Green, Oreg.	Martin
Collins, Ill.	Griffin	Mayne
Collins, Tex.	Gross	Mazzoli
Colmer	Grover	Michel
Conable	Hagan	Miller, Ohio
Mills, Md.	Rooney, N.Y.	Talcott
Minshall	Roy	Taylor
Mizell	Runnels	Teague, Calif.
Montgomery	Ruppe	Terry
Morgan	Ruth	Thompson, Ga.
Murphy, N.Y.	Sandman	Thomson, Wis.
Myers	Satterfield	Thone
Nelsen	Scherle	Vander Jagt
Nichols	Schmitz	Waggonner
Patten	Schneebeli	Wampler
Poage	Scott	Ware
Poff	Sebelius	Whalley
Preyer, N.C.	Shipley	White
Price, Tex.	Shoup	Whitehurst
Purcell	Skubitz	Wiggins
Quie	Slack	Williams
Quillen	Smith, N.Y.	Winn
Railsback	Snyder	Wydler
Randall	Spence	Wylie
Rarick	Springer	Young, Tex.
Rhodes	Steiger, Ariz.	Zion
Robinson, Va.	Stephens	Zwach
Robison, N.Y.	Stubblefield	
Rogers	Stuckey	

NOT VOTING—112

Abzug	Fountain	Mosher
Adams	Galifianakis	Moss
Alexander	Goodling	Patman
Ashbrook	Green, Pa.	Pelly
Ashley	Griffiths	Pepper
Badillo	Gubser	Pettis
Barrett	Halpern	Peyser
Bell	Hammer-schmidt	Pickle
Blackburn		Pirnie
Blanton	Hanna	Powell
Bray	Harsha	Pryor, Ark.
Brotzman	Hastings	Reid, N.Y.
Buchanan	Hays	Roberts
Carney	Hébert	Rooney, Pa.
Casey, Tex.	Hillis	Saylor
Celler	Ichord	Schwengel
Chappell	Jonas	Shriver
Chisholm	Jones, Ala.	Sikes
Clancy	Kazen	Smith, Iowa
Clark	Kee	Staggers
Clawson, Del	King	Stanton, J. William
Clay	Landgrebe	
Conyers	Link	Steele
Corman	Lloyd	Steiger, Wis.
Dent	Long, La.	Teague, Tex.
Derwinski	Lujan	Veysey
Devine	McClure	Vigorito
Diggs	McCormack	Waldie
Dingell	McDade	Whalen
Dorn	McKay	Whitten
Dowdy	Macdonald, Mass.	Widnall
Dulski		Wilson, Bob
Edmondson	Madden	Wilson, Charles H.
Edwards, La.	Mailliard	
Erlenborn	Mathias, Calif.	Wyatt
Esch	Mathis, Ga.	Wyman
Eshleman	Melcher	Young, Fla.
Flynt	Mills, Ark.	
Ford, William D.	Mollohan	
	Morse	

So the amendment was rejected.

AMENDMENT OFFERED BY MR. MIKVA

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

The Clerk read as follows:

Amendment offered by Mr. MIKVA: On page 10, strike out line 13 and all that follows down through and including line 4 on page 13.

Mr. MIKVA. Mr. Chairman and members of the committee, this is the last of the extraneous riders, at least as far as I know, that are in this bill.

What this rider I am seeking to strike out would do—and it would do a very poor job of doing it—is to try to set up a landlord-tenant law in a revenue bill. It is aimed at the problem of rent strikes, which is a problem that does confront most municipalities in the country. Most State legislatures have been wrestling with this problem and have tried to come up with some way of seeing to it that a landlord is not overwhelmed by the nonpayment of rent and at the same time not put the State or the city in the position of being the protector of the slum landlords.

The rider that has been attached to

the revenue bill never had one moment of hearings before our committee. We never had any witnesses called to testify for or against it.

The first time I saw the language of the rider was in the markup session of the full committee. As a result of this lack of hearings, the rider does not do what it was intended to do.

If this rider stays in the bill and my amendment is not agreed to, the D.C. government will become one of the great protectors of slum landlords in the city and one of the great gougers of good landlords in the city.

I know that was not the intent of the people who put this section in. I know what they intended to do was to set up a system whereby the D.C. Welfare Department would see to it that the tenant did not unlawfully refuse to pay the rent. However, I assure any of you who have ever had experience with these problems that if you would take a look at the section that starts at 704 on page 10 of the bill or read that part of the report that starts at page 50 of the report, you will see a classic case of why legislation by riders is not a good way to legislate in the people's House or any place else.

I would like to see a landlord-tenant code revision accomplished in the District of Columbia, one that would protect landlords against overreaching tenants and one that would protect tenants against overreaching slum landlords. However, we cannot do it by a rider on a revenue bill.

Mr. Chairman, I hope the amendment which I have offered will be agreed to. The vote in the committee was 12 to 11. It was not something that came through with overwhelming approval.

The committee can take a long, hard look at this matter, rather than the time it took, some 20 minutes, during the markup of the bill. If we want to find the answer to this very complicated problem, that is what we will have to do.

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

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

Mr. Chairman, I shall be very brief because I think this is a very simple problem. I am well aware, as I stated before, I think on the floor of this House, of the problems with reference to this particular bill as it is now written.

Mr. Chairman, if this amendment is not passed we will be in violation of three rulings of the Supreme Court. It is in violation of HEW's regulations. But more important than that it is turning around to a department that we have already deemed to be almost universally inefficient, the Welfare Department. It is requiring that they take on a task that they are in no way ready to handle, nor do they have the expertise.

It is very simple. If tenants withhold their rent, a landlord may go into court and the court will take the money and hold it until the dispute is adjudicated. The court has the machinery and the system works. It is a recognized system in most of our cities. It allows the landlord the protection of the court and it allows the tenant the protection of the court and due process of law.

Last, but not least, it assures that the money is there for whichever party should get it, and, quite frankly, that the money is there with interest.

Mr. Chairman, I would hope that the amendment would be agreed to.

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

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

Mr. Chairman, I must take issue with my good friend, the gentleman from Illinois (Mr. MIKVA) with reference to his statement that this matter was not gone into either during the hearings or the mark up of the bill to the extent to which he thinks was necessary.

Mr. Chairman, this matter was discussed at the first markup meeting of the subcommittee and it was agreed to. Granted, there were not extended public hearings held on it, but I think it was a foregone conclusion as to who would have been there to testify. They are the ones drawing rent checks and housing checks and refusing to pay but yet putting the money in the bank.

I do not believe that anyone in this committee feels that a person who is being provided with taxpayers' money for the purpose of paying rent for shelter intends that such a person could put that money in his pocket and just go on his merry way.

I call your attention to the fact that for the period including the past fiscal year occupants of approximately 2,400 units of public housing joined in rent strikes for up to 19 months and refused to use their rent allotments to pay rent.

The statement that there is recourse in the courts, might hold some water if the courts acted immediately the first time that they were in arrears, but if it is going to take 3 to 6 months as do most of these cases require, at that time neither the courts nor the tenant has that money. In other words, how are you going to get blood out of a turnip? They have already spent that money.

Mr. Chairman, the provisions have been set up whereby the Commissioner can set up the machinery for the administration of this program. Under the bill, the money can be impounded. It is not paid to the landlord arbitrarily. It is not handed over to the landlord, but it is held as a public fund by the Welfare Department until it is determined whether there is a legal, valid claim for nonpayment of rent.

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

Mr. CABELL. Not for the moment.

There has to be a determination if rent allotment was legally withheld by the public assistance tenants.

Let us not kid ourselves. What has been happening in many cases is deliberate destruction of property in order to have an excuse to claim a housing code deficiency and not pay rent. As long as that situation is possible you are not going to have very good compliance with the intent of the law which provides public assistance recipients with these rent payments.

You are not dealing with private money here, you are dealing with public money, and I think it behooves us to do everything we can to protect the interests of our taxpayers where it does not hurt the recipients of these checks. Because when they receive that money for rent, and then do not use it for that purpose but put it in their pockets, then in my opinion it is conversion of funds to improper and illegal purposes.

I do not want to belabor this point. I know the hour is getting late, but that is the whole simple problem in a nutshell.

This whole situation has become so intolerable that even at privately owned rental projects the destruction has been so great that many, many units of their housing have been taken out of service that could supply shelter that we need, and do not have.

But when they are constantly wrecked, and many times deliberately, then how can you expect the landlord to keep on repeating his maintenance and his refurbishing when he cannot even get the cost of that, or the cost of his taxes, out of those rental units?

Substantially in excess of $1 million in losses have been suffered by the National Capital Housing Authority. It put them into bankruptcy, which meant that then HUD had to come back in with another $1 million to bail them out in order to keep those public housing units open.

I beg of you, Members of the House, if you have the interests of your taxpayers' pockets in mind, and if you want to maintain some honesty and decency among our people, then vote down this proposition

PUBLIC ASSISTANCE RENT ALLOTMENTS

The committee provisions related to rent allotments should be approved.

The purpose of section 704 of the bill is to prevent the loss of public funds made available as rent allotments by the Public Assistance Agency for recipients of public assistance. Millions of dollars of such funds are diverted from their proper use. There can be no justification of a system under which tenants may engage in a rent strike and use their rent allotments for personal disposition for long periods.

RENT STRIKES

This is no imaginary problem. Thousands of recipients of rent allotments have withheld their rent payments in rent strikes against both the public housing agency and against private lessors. For the period including the past fiscal year, occupants of about 2,400 units of public housing joined in rent strikes for up to 19 months and refused to use their rent allotments to pay rent. Substantially in excess of $1 million in losses are still outstanding on the books of the National Capital Housing Authority. Such losses were an important factor in forcing the Housing Agency into bankruptcy requiring the Federal Government to bail it out so that it could continue to operate its nearly 12,000 dwelling units.

The amount of funds provided for rent allotments but withheld and used for other purposes by recipients of public assistance can only be estimated. The losses to private lessors substantially exceeds the losses suffered by the Public Hous-

ing Agency. A direct result of such action was the reported withdrawal from the rental market of thousands of housing units. Neither private nor public housing can be furnished for any length of time where the system permits the diversion of public funds to other purposes and the costs of maintaining public and private housing cannot be met.

The provisions of the bill do not deprive the public assistance recipient of any right to which he is entitled.

As a part of public assistance, he is eligible to receive such rent allotment for the public purpose of providing shelter as the Assistance Agency establishes as proper.

The withholding of rent by a tenant or the filing of a complaint for housing code deficiency does not provide an automatic basis for eviction.

The public assistance tenant will be eligible to receive any rent allotment as determined by the Assistance Agency so long as he applies the money to the public purpose or otherwise acts in good faith.

If housing code enforcement officials find a code deficiency or such a deficiency complaint is filed by the tenant or if the tenant withholds the rent payment, the Assistance Agency will withhold the rent allotment until the amount of any lawful payment for shelter can be determined and made.

The withholding of public funds allotted for rental payments does not constitute an escrow as to which the claimants are the public assistance tenant and the lessor. Such funds can be applied for rent only when rent is lawfully due. If only part of the rent is lawfully due, a proportionate payment may be provided for by the Assistance Agency. If the tenant has acted in full good faith, the rental allotment due and payable may be supplied by the Agency to the tenant for that purpose. If the tenant has not used the rent allotment for its intended purpose or complained of a deficiency without justification as a reason for the withholding of rent, the Assistance Agency will pay the amount of rent allotments lawfully due to the lessor.

The operation of this system should help to prevent the unwarranted eviction of a tenant who files a complaint. It should benefit the public housing agency by insuring that rent payments will be made. It should bring about a decrease in acts of vandalism to create a housing deficiency complaint. It should reduce the number of cases in landlord and tenant court from the number of about 125,000 per year being experienced at the present time.

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

Mr. Chairman, I do not intend to take the full 5 minutes. I rise in opposition to the pending amendment, and I want to associate myself with the remarks made by the gentleman from Texas (Mr. CABELL).

The language in the bill that this amendment seeks to strike out does not deny and I repeat, does not deny any payments to any of the individuals who are entitled to it. It does not interfere with the relationship between the tenant and the landlord.

What the language of the bill does do is to assure the proper use of the funds that are paid to individuals for use as a rent supplement.

Mr. FAUNTROY. Mr. Chairman, would the gentleman yield?

Mr. BROYHILL of Virginia. If the gentleman will wait until I have completed my statement, then I will be glad to yield to the gentleman.

The tenant can withhold these funds under present law, and not pay them to the landlord if he feels that the landlord is not keeping his property in proper repair. Under the language of the bill, the payments can still be withheld under those circumstances, but they cannot be used by the tenant for some other purpose. In other words, under the language of the bill the individual cannot short-circuit the funds and refuse to pay the landlord, as an excuse for using those funds for something else.

I say the language of the bill protects the tenant from a liability that he would bear if he withheld rental subsidy funds from the landlord under the pretext that the landlord had not kept the property in proper repair.

Now those of us who support the language of the bill are just as interested and just as anxious to help the poor as are the sponsors of the amendment to take this language out of the bill. We do not want to deny the poor and those who are entitled to these funds of the right to such relief. But at the same time, we want to protect the taxpayer. What is wrong with that? That is all the language of the bill seeks to do.

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

Mr. BROYHILL of Virginia. I yield to the gentleman.

Mr. MIKVA. This is an example of what is wrong with trying to write this complicated kind of bill without hearings and without giving it the necessary time.

Let me explain to the gentleman, if one tenant who is on welfare writes that his landlord is in violation on that building and even though the building could have been completed yesterday and is in compliance with every law that the District of Columbia has, then the welfare authority must withhold the rent and the tenant cannot be evicted until this is determined. It does not say anywhere in here who is going to make the determination.

My quarrel, I will say to the gentleman from Virginia, is not with the end result that you seek to achieve because I think there ought to be an orderly basis for resolving the disputes. My quarrel is with some of the language that was thrust at us in the markup session.

The gentleman will agree that we did not spend much time in debating the language, and it is going to work exactly the reverse of the results that the gentleman from Virginia and every other Member want.

I do not want to continue the situation where tenants can withhold the rent indefinitely, and using welfare funds for other purposes. I would like to have a rational system that protects both sides of the bargain and puts it in the courts where it has to be decided ultimately anyway.

Mr. BROYHILL of Virginia. Let me say this to the gentleman in response. I agree with what the gentleman said earlier in the debate today about writing a bill like this on the floor of the House. I do not agree with the gentleman, however, about the committee writing this legislation in executive session. I disagree with the gentleman that this language was thrust at us. We discussed this provision at great length, and we had the matter before us for several days; and the gentleman had every opportunity to offer a motion to have this language stricken from the bill on its merits in executive session, but he failed in that effort. So, I say that the committee knew exactly what it was doing, and the provision was adopted to protect both the taxpayer and the landlord.

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

Mr. Chairman, again I want to remind the Members of this body of the truth in order that we might do the right thing. The truth is that contrary to the statement of the gentleman from Texas, the landlords do now, in fact, have access to immediate relief when a tenant fails to pay his rent. He may secure a protective order from the courts which will require the tenant to pay the prescribed rent until such time as the litigation is resolved.

The truth is, that if the committee rider is sustained, we will be clearly in violation of the Constitution. Only last year the Supreme Court ruled that public assistance is to be considered as a property subject to the protection afforded by the due process clause of the Constitution.

Moreover, it has already been pointed out by the gentleman from Connecticut that the committee rider would violate the HEW regulations which again require due process before a person may be denied public assistance.

So, Mr. Chairman, it would be wise to support the Mikva amendment not only because it sustains the Constitution of the United States, but also because the landlords in question already have, through the courts, immediate access to relief should they feel that a person was withholding his rent without just cause.

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

Mr. Chairman, I think this matter can be resolved very simply. Here is all that is involved here. In the first place, you put a roof over people's head with taxpayers' money. You then appropriate money to pay the rent to bring it up to where it would be a going concern; and the tenant puts the money in his pocket.

I think it is just that simple—how stupid can we get?

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

The amendment was rejected.

AMENDMENT OFFERED BY MR. HOGAN

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

The Clerk read as follows:

Amendment offered by Mr. HOGAN: Page 8, line 12, is amended to read as follows:

"SEC. 701. (a) Except as provided in para-

graph (2), the Commissioner of the District of".

Page 8, line 16, strike out "or private".

Page 8, immediately after line 24, insert the following:

"(2) The Commisioner shall, before offering to sell such real estate at public sale, offer to sell and convey all of such real estate, for not less than the fair market value thereof, to the Prince Georges County Government, Prince Georges County, Maryland. Only after such County Government has had a reasonable time not to exceed six months to consider and accept or reject such offer (in whole or in part) may the Commissioner sell and convey such real estate or the remaining portion of such real estate, as the case may be, at public sale."

The CHAIRMAN. The gentleman from Maryland is recognized in support of his amendment.

Mr. HOGAN. Mr. Chairman, this is a very straightforward, noncontroversial amendment as far as I am concerned, and very reasonable.

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

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

Mr. CABELL. As I understand your amendment—and you were kind enough and courteous enough to provide us with advance copies—you are merely asking that Prince Georges County be granted a reasonable time to exercise a right of refusal for the purchase of the property referred to, and that it does not necessarily imply that Prince Georges County would be in a position to buy the land any cheaper than if a transfer were made at a private sale by the District of Columbia. Am I correct in that statement?

Mr. HOGAN. The gentleman's understanding of my amendment is correct.

Mr. CABELL. I should like to ask the gentleman whether he inserted in the amendment the 6-month provision rather than "a reasonable time"?

Mr. HOGAN. Yes. The gentleman will be interested in knowing that following "reasonable time" there is a parenthetical clause which states "not to exceed 6 months to consider and accept or reject such offer".

Mr. CABELL. Mr. Chairman, the members of the committee on this side of the aisle are ready to accept the amendment.

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

Mr. HOGAN. I yield to the gentleman from Minnesota.

Mr. NELSEN. I just want to say that we on our side have no objections. I also wish to compliment the gentleman for doing his usually extensive, good job.

Mr. HOGAN. I thank the gentleman. It should be obvious to the Members that this 143-acre parcel of land is located in Prince Georges County and I feel that the Prince Georges County government should have the right to purchase it before it is offered to other would-be purchasers. I am grateful for the support of members of the committee for my amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. HOGAN).

The amendment was agreed to.

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

The CHAIRMAN. The gentleman from North Carolina is recognized.

Mr. HENDERSON. I should like to have the attention of the chairman of the subcommittee relative to section 702 of the bill. It is my understanding that this section is intended to apply to officers and employees of the District of Columbia as their compensation is affected through the use of Federal funds, in order that there will not be compensation from regular appropriated funds and also compensation from funds that might be granted through the Federal grant programs. Is that correct.

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

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

Mr. CABELL. I think that is correct. For example, cases have been brought to our attention that a salaried employee of the District of Columbia is paid from appropriated funds, but under present regulations could accept a grant or accept additional compensation for some purpose through some Federal program which, in our opinion, it encompasses.

Mr. HENDERSON. I certainly want to commend the gentleman for this action. It is long overdue. I hope the gentleman will see, after this provision becomes law, that it is enforced throughout the Federal Government.

With regard to section 106, it is my understanding that the committee, in an attempt to limit the ever-expanding employment of the District of Columbia government, has placed a ceiling or a limitation on the number of employees within the District of Columbia. I would point out that if it was the intent—and I would assume it was—of the committee to save money for the taxpayers and to really bring economies in employment, that this is one way that so often we in the Congress do it that is absolutely ineffective as it relates to emplacement grades and increases in salaries, and really there is a greater expenditure of money.

I would like to suggest to the committee if in the future they intend to save money by limiting the employment, that they do it by putting monetary limitations on and not just merely employment ceilings. I commend the committee for this effort, but I predict unless the committee rides herd they will find in the next fiscal year that even though they have put this limitation on employment, the District of Columbia will have spent more money for personnel costs than they have in past years.

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

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

Mr. CABELL. Mr. Chairman, I commend the gentleman for his contribution. I think he has taken the point well. Under the existing rules and regulations, under which we operate, the authorizing committee at this time is almost hamstrung when it comes to setting up line item limitations. The Appropriations Committee can do that.

Mr. HENDERSON. The gentleman is correct, and I hope the colloquy here today will encourage the Appropriations Committee to put the limitations on the expenditures of funds in this regard.

Mr. CABELL. Mr. Chairman, will the gentleman yield further?

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

Mr. CABELL. Mr. Chairman, may I say we recognize very clearly that this is only one step of a limitation, and it is not the final answer by any means. No, very frankly. What the District will do is lay off five laborers and put on one more chief, and we have to find a way to cut some of the chiefs out of the wigwams.

Mr. HENDERSON. I commend the committee for their effort in this, because for those of us who have tried to bring about some sense in manpower in the Federal Government, we can certainly understand the committee has been into this matter very seriously. I commend the committee.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE VIII

MISCELLANEOUS PROVISIONS

SEC. 801. SEPARABILITY CLAUSE.—If any provision of this Act, or the application thereof to any person or circumstances, is held invalid, the remainder of the Act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

SEC. 802. EFFECT UPON REORGANIZATION PLAN NUMBERED 3 OF 1967.—Nothing in this Act, or any amendments made by this Act, shall be construed so as to affect the authority vested in the Commissioner of the District of Columbia or the authority vested in the District of Columbia Council by Reorganization Plan Numbered 3 of 1967. The performance of any function vested by this Act in the Commissioner of the District of Columbia or in any office or agency under his jurisdiction and control, or in the District of Columbia Council, may be delegated by the Commissioner or by the Council, as the case may be, in accordance with the provisions of such plan.

SEC. 803. EFFECT OF REPEAL OR AMENDMENT.—(a) EXISTING RIGHTS AND LIABILITIES.—The repeal or amendment by this Act shall not affect any other provision of District law, or any act done or any right accrued or accruing under such law, or any suit or proceeding had or commenced in any civil cause before repeal or amendment of such law, but all rights and liabilities under such law shall continue, and may be enforced in the same manner and to the same extent, as if such repeal or amendment had not been made.

(b) CRIMES AND PENALTIES.—All offenses committed, and all penalties incurred, under any provision of law hereby repealed or amended, may be prosecuted and punished in the same manner and with the same effect as if this Act had not been enacted.

SEC. 804. Except as otherwise provided, the provisions of this Act shall take effect upon the date of enactment of this Act.

Mr. CABELL (during the reading). Mr. Chairman, I ask unanimous consent that title VIII be considered as read, printed in the RECORD, and open to amendment at any point.

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

There was no objection.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows :

Committee amendment: Page 18, line 12, strike out "SEPARABILITY CLAUSE.—".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 18, beginning in line 17, strike out "EFFECT UPON REORGANIZATION PLAN NUMBERED 3 OF 1967.—"

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 19, line 4, strike out "EFFECT OF REPEAL OR AMENDMENT.—".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 19, line 5, strike out "EXISTING RIGHTS AND LIABILITIES.—".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 19, line 14, strike out "CRIMES AND PENALTIES.—"

The committee amendment was agreed to.

AMENDMENT OFFERED BY MR. JACOBS

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

The Clerk read as follows:

Amendment offered by Mr. JACOBS: Page 19, after line 21, insert the following new title: new title:

TITLE IX—NONRESIDENT INCOME TAX

SEC. 901. (a) The District of Columbia Income and Franchise Tax Act of 1947 (D.C. Code, secs. 47–1551–1595a) is amended by adding at the end of that Act the following new title:

"TITLE XVII—NONRESIDENT INCOME TAX

"SEC. 1. Imposition of tax.—There is hereby imposed and levied for each taxable year beginning after December 31, 1971, upon the taxable income of every nonresident derived from sources within the District of Columbia, a tax at a rate equal to 40 percent of the tax levied and imposed for such taxable year under title VI of this article (D.C. Code, secs. 47–1567—47–1567e), on the taxable income of every resident. The tax imposed and levied on such taxable income of any nonresident shall be determined under the provisions of this title.

"SEC. 2. Computation of tax.—

"(a) In the case of the income of a nonresident subject to tax under this title, the amount of the tax for any taxable year shall be computed on the taxable income of such nonresident derived from sources within the District of Columbia in the same manner as if such nonresident were a resident, except—

"(1) the amount allowed as a credit against net income under section 2 of title VI of this article (D.C. Code, sec. 47–1567a) shall be reduced to an amount which bears the same ratio to the full credit provided for in such section as the adjusted gross income of such nonresident derived from sources within the District of Columbia for the taxable year bears to the total adjusted gross income of such nonresident for such taxable year;

"(2) in computing the net income of such nonresident for such taxable year, deductions from gross income allowed under section 3 of title III of this article (D.C. Code, sec. 47–1557b) shall be allowed only if, and to the extent that, they are directly connected with income derived from sources within the District of Columbia; and

"(3) no credit for sales tax paid in the District of Columbia as provided under section 6 of title VI of this article (D.C. Code, sec. 1567e) shall be allowed in the case of such nonresident.

"(b) The proper apportionment and allocation of the deductions with respect to income derived from sources within and without the District of Columbia as provided under clause (2) of subsection (a) of this section shall be determined under regulations prescribed by the District of Columbia Council.

"SEC. 3. Definitions.—For the purposes of this title—

"(1) The term 'taxable income' means the entire net income of every nonresident derived from sources within the District of Columbia in excess of the personal exemptions and credits for dependents allowed by section 2 of title VI of this article (D.C. Code, section 47–1567a) as determined in accordance with the provisions of this title.

"(2) The term 'nonresident' means every person who is not a resident and who has income derived from sources within the District of Columbia."

(b) The first sentence of paragraph (z) of section 4 of title I of such Act (D.C. Code, section 47–1551c) is amended by inserting immediately before the period the following: ", and to every nonresident who has income subject to tax under title XVIII of this article".

(c) The table of contents for such article 1 is amended by adding at the end of that table the following:

"TITLE XVII—NONRESIDENT INCOME TAX

"SECTION 1. Imposition of tax.
"SEC. 2. Computation of tax.
"SEC. 3. Definitions."

Mr. JACOBS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read, and printed in the RECORD.

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

There was no objection.

Mr. JACOBS. Mr. Chairman, this is indeed the reciprocal income tax that has been discussed earlier in the general debate. I might say at the outset that this is an opportunity to cut the increase in the Federal payment to the District of Columbia by either $20 million or up to $50 million, I do not know which, but I am sure it is not less than $20 million according to all the information that has come to me.

During the course of the discussion on this amendment, it will be alleged that the neighboring States of Virginia and Maryland will simply enact reciprocal taxes themselves to tax the residents of the District of Columbia who work in Maryland or in Virginia, and that this will simply wash out and wipe out any gain the District of Columbia might make in the revenue situation.

I submit that is inaccurate, if anyone would say that. Obviously there are far more people at far higher salaries, who come into the District of Columbia and collect paychecks, from the two surrounding States, than there are who leave the District of Columbia and work in the surrounding States.

What does it come down to? It seems to me it comes down to a very simple question. Either your constituents throughout the United States are going to pick up $20 million of the $44 million increase in the Federal payment, or whatever the Appropriations Committee allows, or that $20 million is going to be paid by the people who live in this metropolitan area and come in here and get their paychecks here. It is just about that simple.

I said earlier in the committee, and I repeat for the records, I am most fond of my colleague, Mr. BROYHILL, and I am very fond of my colleague, Mr. GUDE, and I do not believe it is surprising that they would be representing their constituents by opposing this tax which their constituents would pay. The fact that they are opposing this provision indicates that the District of Columbia would gain in this formula in terms of the tax that their constituents from the suburbs would pay. I expect them to do that.

But they are two Representatives representing those people. The rest of us represent people in other parts of the country. It seems to me the best way to represent my constituents is to take $20 million of this Federal payment off their backs, that ought to be paid by the people in this area who come into the District and make money here.

Unless some Member wants me to yield, Mr. Chairman, I yield back the remainder of my time.

AMENDMENT OFFERED BY MR. BROYHILL OF VIRGINIA TO THE AMENDMENT OFFERED BY MR. JACOBS

Mr. BROYHILL of Virginia. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. BROYHILL of Virginia to the amendment offered by Mr. JACOBS: Immediately after the end of section 901 insert the following:

SEC. 902. (a) The last sentence of paragraph (s) of section 4 of title I of article 1 of the District of Columbia Income and Franchise Tax Act of 1947 (D.C. Code, sec. 1551c) is amended to read as follows: "The word 'resident' shall include any elective officer of the Government of the United States and any employee on the staff of an elected officer in the legislative branch of the Government of the United States, and any officer of the executive branch of such Government whose appointment to the office held by him was by the President of the United States, and subject to confirmation by the Senate of the United States and whose tenure of office is at the pleasure of the President of the United States."

(b) The last sentence of paragraph (z) of such section is amended to read as follows: "The term 'employee' shall include an officer of a corporation and shall also include any elective officer of the Government of the United States and any officer or employee in the legislative branch of the Government of the United States whose compensation is paid by the Secretary of the Senate or the Clerk of the House of Representatives, and any officer of the executive branch of such Government whose appointment to the office held by him was by the President of the United States, was subject to confirmation by the Senate of the United States, and whose tenure of office is at the pleasure of the President of the United States."

(c) Any elective officer of the Government of the United States, and any employee on the staff of an elective officer in the Legislative Branch of the Government of the United States employed in the District of Columbia, and any officer of the Executive Branch of such Government employed in the District of Columbia whose appointment to the office held by him was by the President of the United States, and subject to confirmation by the Senate of the United States, and whose tenure of office is at the pleasure of the President of the United States, who resides outside of the District of Columbia shall be taxed under this title in the same manner and to the same extent as a nonresident receiving income from sources attributable to the District of Columbia.

(d) The amendments made by this section shall apply with respect to any taxable year beginning after December 31, 1971.

Mr. BROYHILL of Virginia (during the reading). Mr. Chairman, I ask unanimous consent that the amendment to the amendment be considered as read and printed in the RECORD. I will explain the purpose of the amendment.

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

There was no objection.

(By unanimous consent, Mr. BROYHILL of Virginia was allowed to proceed for an additional 5 minutes.)

Mr. BROYHILL of Virginia. Mr. Chairman, the amendment to the amendment has two objectives.

First, it would provide that all commuters working in the District of Columbia, receiving paychecks in the District of Columbia, would be subjected to this so-called reciprocal commuter tax, including Members of Congress and their staffs.

Second, it would provide that all residents living in the District of Columbia and who are now exempt from any District of Columbia income tax would be liable to pay the full income tax of the District of Columbia, including Members of Congress and their staffs, as well as appointed Government officials who are now exempted by law.

When I offered this amendment in the committee in connection with a pending reciprocal tax amendment—which was defeated—it was charged that I was offering the amendment in the form of blackmail or to embarrass my colleagues.

I want to assure you, Mr. Chairman and all of my colleagues, that I offer this amendment in good faith and all sincerity.

I do oppose the amendment offered by the gentleman from Indiana (Mr. JACOBS) and I would oppose his amendment even if my amendment were approved by my colleagues in the House.

I oppose that amendment in any form because I think it is improper, I think it is unfair, and I think it is the wrong approach to this particular problem with which we are confronted.

If the Congress disagrees with me and feels it is a fair and a proper tax, then I say that we should make no exceptions whatsoever. We should tax everyone—all the people who work in the District of Columbia.

If a suburbanite's merely coming across the river or the State line and working in the District of Columbia and receiving a paycheck is an expense to this city, then most certainly living here, as some of our colleagues and staff members do, entails even a greater expense to this city. These residents should be subjected to the same tax.

In other words, what I am trying to say, Mr. Chairman, is why make an exception for ourselves and the members of our staffs? If we are going to use this source of revenue in the future, then let us bring everyone under the same blanket.

Let me explain my opposition to this reciprocal tax proposal. I said it was improper because I think it improper to have to pay for the privilege of working in the Nation's Capital, and particularly for the privilege of working for our Federal Government. Of course, this particular provision should include all temporary visitors, summertime interns, college students, and everyone else who comes here or who has the privilege of coming to work in the Nation's Capital. This is an improper approach.

Second, it is unfair. Why is it unfair? It is unfair because the place of employment and the place where a party works does not mean that he is an expense to the community. His presence is not a loss to the community. The taxes received from a person's place of employment, whether it is in industry or retail establishments or even Federal facilities, far exceed the cost to that community resulting from that facility being in the community. In most communities, the business establishments and industrial establishments have to pay for trash removal. Actually, they get very little services whatever from the community. The financial loss to the community is in the residence where a person lives. Schools alone cost a great deal more than the revenue received from the parents' places of abode. This is recognized in the whole concept of Public Law 815–874, the aid to impacted areas, where we recognize that Federal industry in a community provides an impact and does not provide a fair share of taxes. The community or the residence which is provided for the people who work in the nontaxable Federal establishments provides a liability to the community. The Congress recognizes that, and provides a payment in lieu of taxes for that nontaxable Federal industry.

The employees working in the District of Columbia would actually receive nothing for the tax that we would be subjecting them to. They pay taxes on the food that they buy in the District of Columbia, on the gasoline that they buy, and on all of the shopping that they do in the city. But, more importantly than anything else, the place where the people work is paying a substantial tax for the privilege of having that business located in the District of Columbia.

If we subject commuters to this tax, the loss will be to the community of residents. Here we are providing service for the homes and providing schools in the suburbs, but yet the District of Columbia, where they work, will be getting the lion's share of the income tax.

Mr. Chairman, I say this is the wrong approach because, as I said earlier during the day, it is the Federal responsibility to see to it that this city is properly operated and properly financed and maintained. If it is not being properly operated, we should do something about it. We should have investigations made. We are having a study made by the Little Hoover Commission right now, and I hope their findings will be significant.

We should seek more efficient and more effective ways of operating this city. Certainly, we should not rubberstamp the District budget and we have not rubberstamped the District budget in this instance. We have made cuts in this particular bill, but to say that we can discharge our obligation by cutting the Federal payment and then soaking the people who live in the suburbs, I say that is wrong.

And, Mr. Chairman, make no mistake about it—if we raise an additional $20 million by a reciprocal tax provision in this bill, do not think that the other body will keep such a provision in the bill. They have already acted on this matter. They are going to substitute the extra $20 million, not as a part of the Federal payment but as an addition thereto. You are not going to be soaking the people in the suburbs in order to save your people back home.

Mr. Chairman, the commuter tax was not proposed to start with because it was fair and proper. If it was fair and proper we would have had it a long time ago. It was proposed in this bill this year, and on the floor of the House today, as a substitute for part of the Federal payment, not because it is fair and proper. I say that if you think it is fair to put this form of taxation into this bill and get by with it over in the other body, then what is fair for the goose is fair for the gander.

If you think this is going to save the Federal Government any money, then there is no reason why we should exclude ourselves and our own employees—the Congressmen who live in the District of Columbia and their employees who live here are using all of the city's facilities, and to exclude ourselves would be selfish and unconscionable.

So, I hope that the Committee of the Whole will adopt my amendment to the Jacobs amendment, and then if it is adopted that the whole amendment will be defeated.

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

Mr. BROYHILL of Virginia. I yield to the Delegate from the District of Columbia.

Mr. FAUNTROY. I was quite inspired and intrigued as to the manner in which the gentleman's amendment was prepared and was prepared to associate myself with it, because as I understand the gentleman's amendment, the gentleman would be for a reciprocal tax.

Mr. BROYHILL of Virginia. I certainly would not be for a reciprocal tax. I just got through saying that if we are going to adopt it, let us include ourselves and everyone else, but that I am emphatically opposed to it even if we include ourselves.

Mr. FAUNTROY. The reasoning of the gentleman from Virginia is difficult to follow.

Mr. BROYHILL of Virginia. No, it is not difficult to understand. If we are going to have such a tax, even though I oppose it, let us include everyone and not exempt anyone.

Mr. FAUNTROY. If that is what the gentleman wants and if the gentleman wants everyone included, I would be willing to do a little horse trading, as the gentleman has often said—if I vote for you on this, will you vote for me upon that?

Mr. BROYHILL of Virginia. Let me say to the gentleman that the gentleman has said publicly we had one agreement that I did not live up to. Would the gentleman like to repeat that charge right now, that I have gone back on my word or failed to meet any commitment which I have made to the gentleman?

Mr. FAUNTROY. Mr. Chairman, I made it clear that through some of our colleagues——

Mr. BROYHILL of Virginia. That you and I had any such agreement, and that I did not abide by it?

Mr. FAUNTROY. Will the gentleman let me answer the question? We do not have time for an argument and we are not going to have an argument. However, I want to make it very clear that I support him in a reciprocal tax such as the State of Virginia has with some other 26 States, if he is willing to support the amendment, if amended.

Mr. BROYHILL of Virginia. I am not making that commitment. I have made myself clear on that.

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

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

Mr. Chairman, I rise in opposition to the amendment and the original amendment. Both of these amendments were discussed earlier in the committee and voted down.

Mr. Chairman, I move the previous question on the amendment.

The CHAIRMAN. The Chair will state to the gentleman from South Carolina that the gentleman's motion is not in order.

Mr. GROSS. Mr. Chairman, I move to strike the requisite number of words. There is no such thing as moving the previous question in the Committee of the Whole.

The CHAIRMAN. For what purpose does the gentleman from Indiana rise?

Mr. JACOBS. Mr. Chairman, I would defer to the gentleman from Iowa.

PARLIAMENTARY INQUIRY

Mr. GROSS. Mr. Chairman, first of all I would like to address a parliamentary inquiry to the Chair.

The CHAIRMAN. The gentleman from Iowa will state his parliamentary inquiry.

Mr. GROSS. Mr. Chairman, I assume that we will vote first on the amendment of the gentleman from Virginia (Mr. BROYHILL). Is that correct?

The CHAIRMAN (Mr. McFALL). The Chair will state to the gentleman from Iowa that he is correct in his assumption.

Mr. GROSS. Then we are faced with a strange situation. The gentleman from Virginia (Mr. BROYHILL) does not want his own amendment, and of course we do not know whether the amendment offered by the gentleman from Indiana (Mr. JACOBS) will be adopted or not.

Mr. BROYHILL of Virginia. Mr. Chairman, will the gentleman yield?

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

Mr. BROYHILL of Virginia. Mr. Chairman, the gentleman from Iowa misunderstood the gentleman from Virginia. I do want my amendment adopted. I feel that if we are going to have a reciprocal tax——

Mr. GROSS. But we do not know whether we are going to have a reciprocal income tax until we vote on the amendment offered by the gentleman from Indiana. This places the Members of the House in a strange situation, since the gentleman from Virginia does not want the proposed tax and does not even want his own amendment.

Mr. BROYHILL of Virginia. If the gentleman will yield further, this would give us an opportunity to vote on the amendment offered by the gentleman from Indiana (Mr. JACOBS) and tax ourselves at the same time. What is wrong with that?

Mr. GROSS. But your amendment goes much further, it seems to me, than does the amendment offered by the gentleman from Indiana.

Mr. BROYHILL of Virginia. The only thing the amendment does is add the Members of Congress and their employees, and all Federal officials who are now exempted from any income tax in the District of Columbia.

Mr. GROSS. That is exactly the point, but you do not want it.

Mr. BROYHILL of Virginia. I do want it.

Mr. GROSS. It is the worst of the two, yet we first vote on yours.

Mr. BROYHILL of Virginia. That is correct.

Mr. GROSS. Not knowing whether the House will adopt the other amendment.

Mr. Chairman, I really arose to ask the chairman of the subcommittee, the gentleman from Texas (Mr. CABELL) if he believes District of Columbia officials, who will extract $170 million—a $44 million increase—will be satisfied with this raid on the Nation's taxpayers? Will this satisfy the money hunger of the District of Columbia?

Mr. CABELL. Mr. Chairman, if the gentleman will yield, the bill as it stands would satisfy the hunger to a certain extent, but that hunger has a bad, bad habit of progressing, and a desire to go from chitlins to a sirloin steak, and I fear we will be up against that by next year.

Mr. GROSS. I would ask the same question of the gentleman from Minnesota (Mr. NELSEN).

Does the gentleman from Minnesota, the ranking minority member, think that the appetite for money for the District of Columbia will be satisfied with the $170 million, a $44 million increase over last year's expenditure?

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

Mr. GROSS. I am delighted to yield to the gentleman from Minnesota.

Mr. NELSEN. If the Congress of the United States would quit voting for more things to add to the others, I would say that the objective that the gentleman from Iowa seeks has some possibility of being a fact.

Every item that is in this bill today is an item that we voted for, every item.

Mr. GROSS. But the increase approved last year paid for all those items to which the gentleman refers. The gentleman from Mississippi (Mr. ABERNETHY) a member of the committee, says that is the case.

Mr. NELSEN. If the gentleman will yield further, it was authorized, but that does not mean it was funded. And in the Committee on Appropriations the $126 million was appropriated, and it was carefully gone over. That is the figure that we worked from this year.

Mr. GROSS. What I am trying to get at is whether you will go over to that other body known as the U.S. Senate, and cave in and give them another $20 million.

Mr. NELSEN. That is one question I am delighted to answer, because I do not intend to cave in. I hope some of the rest of the Members who are talking will stand with me on that premise.

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

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

Mr. HALEY. Mr. Chairman, may I say to my colleagues that about the only thing I think that will satisfy the people of the District of Columbia is to give them a lot of trucks and open up the vaults of the U.S. Treasury, and let them move out anything they find there in the way of money.

Mr. GROSS. The gentleman from Florida is exactly right.

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

Mr. Chairman, to bring the proposal to closer focus, the reciprocity tax would be 40 percent of the tax paid by local residents in the District of Columbia.

In the case of a salary of $42,500, as nearly as I can figure, that would be about $680 in a year's time.

Secondly, on the question of schools and support for local schools, and the fact that the residents of Virginia and the residents of Maryland obviously do not have children in schools here, let me point out that these schools are supported by a real property tax in the District of Columbia, and by 100 percent of the income tax in the District of Columbia and the reciprocity tax 40 percent.

So obviously all that has been taken into account.

As to the question as to whether it should apply to Members of Congress as it applies to other residents of the two surrounding States, it should be considered in light of the fact that some States of the Union do not have an income tax and do not have, therefore, a reciprocity for this kind of tax to be paid.

You must decide for yourselves whether that would be fair to the Members of Congress who live in the District of Columbia and who draw a salary here.

I, for one, shall support the amend-

ment of the gentleman from Virginia to my own amendment, but I remind you once again that, if you are not interested in constituents participating in a huge Federal payment, you can reduce that Federal payment of your own constituents by about $20 million a year. It seems to me the best way to represent your constituents here is just to vote for this amendment to the amendment if you want to. I am going to. You can vote as you see fit.

As I have said, in order to represent properly the people back home, you take $20 million off their backs and let the people who work every day draw their salaries and pay their taxes.

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

Mr. JACOBS. I yield to the gentleman.

Mr. MYERS. What would happen to Members who pay income tax in the various States who now have income tax; would that require a reciprocity agreement to be entered into between the District of Columbia and the States?

Mr. JACOBS. Yes, that is exactly the case.

Mr. MYERS. Until that time that a reciprocity agreement is entered into, those Members and their staff would have to pay two taxes?

Mr. JACOBS. No, that is not correct. In most cases where there is an income tax, reciprocity exists such as in the State of Virginia and Maryland.

Mr. MYERS. But suppose a State does not have that now?

Mr. JACOBS. That will be the minute this becomes law.

Mr. MYERS. Is it automatic as to the reciprocity on this?

Mr. JACOBS. Yes, the gentleman is correct.

Mr. BROYHILL of Virginia. Mr. Chairman, will the gentleman yield?

Mr. JACOBS. I yield to the gentleman.

Mr. BROYHILL of Virginia. The gentleman's amendment does not in itself define reciprocity. We can only assume that the State of Virginia and the State of Maryland would give credit to their residents for taxes paid to the District of Columbia and would, in turn, tax people who live in the District of Columbia and work in the neighboring States.

Mr. JACOBS. That is the arrangement between Virginia and Maryland and other jurisdictions—that is correct.

Mr. BROYHILL of Virginia. I thought the gentleman proposed the amendment because it would help the people working in the Nation's Capital, and who would pay for the privilege of working here, in paying their income tax.

Mr. JACOBS. I am supporting the gentleman's amendment and I am supporting my own amendment. I am trying to represent my constituents the best way I can.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia (Mr. BROYHILL) to the amendment offered by the gentleman from Indiana (Mr. JACOBS).

The amendment to the amendment was rejected.

Mr. HOGAN. Mr. Chairman, I rise in opposition to the Jacobs amendment.

Mr. Chairman, I understand that the Members are impatient and it is late on this Thursday evening but I ask your indulgence to listen to the arguments in opposition to the Jacobs amendment because this is of tremendous importance of those of us who border the District of Columbia.

The Delegate from the District of Columbia has today, numerous times, said he was coming to the well to speak the truth. Well, I would like to speak the truth about this amendment. The commuter tax is not a reciprocal tax. It would not become reciprocal until the Legislatures of Maryland and Virginia allow the proposed tax to be written off against the State income tax, and I predict that that is not going to happen. Maryland's revenue needs are just as pressing as those of the District of Columbia. Under this proposal the District of Columbia would take an additional $51.6 million in taxes, while Maryland would stand to lose $28 million and Virginia $17 million.

Marylanders would in most cases have to pay income taxes in both the District of Columbia and Maryland, because Maryland income taxes, except for very low earning brackets, are higher than those of the District.

As the gentleman from Iowa (Mr. SCHERLE) pointed out earlier, the residents of Montgomery and Prince Georges Counties in Maryland already pay a higher rate of tax than do the residents of the District of Columbia. The commuter levy on a Marylander working in the Capital City would greatly exceed the cost of the services provided to him by the city. Education, sewerage, roads, police and fire protection, and any other services are rendered to Maryland residents by State and county governments, not by the District of Columbia.

What is the primary service which the District of Columbia does render to commuters? It is in roads and in the incipient rapid rail transit system. Where did the money come for those? For rapid rail transit, the money comes from the Federal Government.

Earlier today we were talking about mismanagement downtown, and I would like to point out the situation with respect to roads. At the present time the District of Columbia Highway Department stands to lose $2.1 million in regular highway funds and $63 million in interstate funds unless this money is obligated by June 30, 1972. We argued a great deal about a $44 million Federal payment increase. What about the $63 million that they are eligible for that they have not even applied for at the present time?

Most of the 280,000 commuting "nonresidents" who work in the District of Columbia spend most of their time within the confines and protection of Federal buildings. These commuters already pay taxes to the District in the form of sales taxes.

Let me emphasize just one statistic to you. Last year Maryland commuters spent some $360 million in the District of Columbia for food, clothes, cars, and other items, thereby contributing taxes to the District of Columbia.

The daily presence of Maryland commuters in the District of Columbia creates 13,505 jobs in establishments that serve those people.

Mr. Chairman, 54 percent of the District of Columbia capital program and 55 percent of the District of Columbia operating budget are for social problems and social programs, health, education, and welfare services, and none of these services are available to the commuter. Thus the Maryland commuter would be robbed of the value of his tax moneys on two counts. Not only would he have to pay taxes to a city which provides him virtually no services but, in addition, the services he receives from the State would be sharply curtailed due to the decreased revenue which the State would receive from the suburban residents. The only way to replace this loss in revenue would be to raise Maryland taxes, and Marylanders are already overburdened with Federal, State, and local taxes.

MOTION OFFERED BY MR. CABELL

Mr. CABELL. Mr. Chairman, I move that all debate on the amendment of the gentleman from Indiana and all amendments thereto close in 5 minutes.

The CHAIRMAN. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the delegate from the District of Columbia (Mr. FAUNTROY).

Mr. FAUNTROY. Mr. Chairman, I simply want to remind the Members of Congress that the reciprocal tax is a common practice among many of our States; that it is just and fair and right; and that if it is not passed in this session, I hope the day will come when the burden of running the city of the District of Columbia will be shared by those who make their money in it and live outside it.

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

Mr. SMITH of New York. Mr. Chairman, I rise in support of the Jacobs amendment.

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

(By unanimous consent, Mr. MIZELL yielded his time to Mr. HOGAN.)

The CHAIRMAN. The Chair recognizes the gentleman from Maryland (Mr. HOGAN).

Mr. HOGAN. Mr. Chairman, I would like to reiterate that the so-called reciprocal tax will not be reciprocal until the Legislatures of Maryland and Virginia enact it into law, and under the present revenue crisis situations they are unlikely to do so.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland (Mr. GUDE).

RECIPROCAL INCOME TAX STATEMENT

Mr. GUDE. Mr. Chairman, I know that the idea of a reciprocal tax has a lot of appeal to some of the membership. It is easy to say sock it to the suburbanites. But if we examine the consequences of this tax rather than the popularly promoted idea that nonresidents should pay

income taxes to their place of employment, we will see that the money will not be coming out of the suburbanite's pocket but primarily out of the Treasury of Maryland. I am sure all of the Representatives from Virginia feel the same way. Therefore, it will not be only the residents of Prince Georges and Montgomery County affected by this tax, but the coal miner in western Maryland and the steel worker in Baltimore and all the other residents from one end of Maryland to the other—many of whom have never even been inside the District. The loss of money from the Maryland treasury will be made up by all of Maryland citizens.

This would mean a net loss of millions of dollars for Maryland—a State that includes a city, Baltimore, with problems and needs similar to the District's, and in some areas the problems are worse. Housing is one such matter. Baltimore has a terrible shortage, horrible slums and insufficient redevelopment programs as I know my colleagues from the city would certainly agree. Therefore, I ask: What is the logic of robbing Peter to pay Paul?

In addition, let me point out another fact that the proponents of the reciprocal tax fail to mention: Suburban residents already pay considerable taxes to the District—paying for the city highways they use for example, every time they fill up with gas in the city. Of course, like the District of Columbia residents the suburbanites also pay an amusement tax on all entertainment, a 4 percent sales tax on any item bought here as well as business and property taxes that many outsiders pay who own their own business or property in the District and a liquor and beer tax on any alcohol purchased in the city.

I might add that the District and Congress should also work to phase out tax exemptions that have been granted to nongovernmental organizations here and develop ways to indirectly tax other groups that have no property taxes. But we have national headquarters of organizations—the NAACP, the DAP, and the National Rifle Association in the District. I do not see any Members of the House lining up to levy a tax on them.

There are many ways the city could raise its local revenue base, but we in Congress would prohibit it. Think what would happen if the District tried to develop high employment potential, as a revenue-producing means, by means normal to other all other communities—attracting heavy industry or building huge complexes to encourage relocation of a large company's main office. As we all know, most of us are quite sensitive to proposals to the Federal city's building height limit or change its basically residential character. But is it fair to expect the residents of Maryland and Virginia to pay for our hesitations about allowing the city to take the numerous steps that it could in an effort to raise its local tax base—I think not.

Maryland and Virginia residents are certainly willing to share, with the other 48 States, the support of increases in the Federal payment. But, the residents of these two States should not be singled out. They should not be asked to shoulder the inequitable burden of a reciprocal income tax. They, because of their proximity contribute more to the District revenue than any of the other States.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia (Mr. SCOTT).

Mr. SCOTT. Mr. Chairman, the committee held extensive hearings. I testified in opposition to this so-called commuter tax. The reasons why it is unfair are stated on pages 40 and 41 of the committee report. I urge that the committee action be confirmed by the House and that the amendment be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota (Mr. NELSEN).

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

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

Mr. CABELL. Mr. Chairman, I recognize the fact that the amendment is very strongly opposed by the chairman of the full committee. In fact, it failed in the full committee by a vote of only 13 to 12. I further call the attention of Members to the fact that if this amendment is adopted, it will put the House conferees on a much, much better footing to work down this $170 million.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana (Mr. JACOBS).

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

Mr. JACOBS. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. BOGGS) having assumed the chair, Mr. MCFALL Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 11341) to provide additional revenue for the District of Columbia, and for other purposes, pursuant to House Resolution 698, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate voice demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

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

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

MOTION TO RECOMMIT OFFERED BY MR. GROSS

Mr. GROSS. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. GROSS. Unequivocally, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. GROSS moves to recommit the bill H.R. 11341 to the Committee on the District of Columbia.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The motion to recommit was rejected.

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

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

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

The SPEAKER pro tempore. The Chair will count.

Two hundred one Members are present, not a quorum.

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

The question was taken; and there were—yeas 248, nays 50, not voting 132, as follows:

[Roll No. 385]

YEAS—248

Abourezk	Drinan	Keith
Alexander	du Pont	Kemp
Anderson, Calif.	Dwyer	Koch
	Eckhardt	Kuykendall
Anderson, Ill.	Edwards, Ala.	Kyros
Anderson, Tenn.	Edwards, Calif.	Landrum
	Eilberg	Latta
Annunzio	Evans, Colo.	Leggett
Arends	Evins, Tenn.	Lennon
Aspin	Fascell	Lent
Aspinall	Fish	Long, Md.
Begich	Flood	McClory
Bennett	Foley	McCloskey
Bergland	Ford, Gerald R.	McCollister
Biaggi	Forsythe	McCulloch
Biester	Fountain	McDonald, Mich.
Blatnik	Frelinghuysen	
Boggs	Frenzel	McEwen
Boland	Frey	McFall
Bolling	Fulton, Tenn.	McKinney
Bow	Fuqua	McMillan
Brademas	Gallagher	Mahon
Brasco	Garmatz	Mann
Brinkley	Gaydos	Martin
Brooks	Gettys	Matsunaga
Brown, Mich.	Giaimo	Mazzoli
Brown, Ohio	Gibbons	Meeds
Broyhill, N.C.	Goldwater	Mikva
Broyhill, Va.	Gonzalez	Minish
Buchanan	Grasso	Mink
Burke, Fla.	Gray	Minshall
Burke, Mass.	Green, Oreg.	Mitchell
Burleson, Tex.	Gude	Mollohan
Burlison, Mo.	Hagan	Monagan
Burton	Hamilton	Moorhead
Byrnes, Wis.	Hanley	Morgan
Byron	Hansen, Idaho	Morse
Cabell	Hansen, Wash.	Mosher
Carter	Harrington	Murphy, Ill.
Cederberg	Harvey	Murphy, N.Y.
Chamberlain	Hechler, W. Va.	Myers
Clausen, Don H.	Heckler, Mass.	Natcher
	Heinz	Nedzi
Cleveland	Helstoski	Nelsen
Collier	Henderson	Obey
Conable	Hicks, Mass.	O'Hara
Conte	Hicks, Wash.	O'Konski
Conyers	Hogan	O'Neill
Corman	Holifield	Passman
Cotter	Horton	Patman
Coughlin	Hosmer	Patten
Daniels, N.J.	Howard	Perkins
Danielson	Hull	Pike
Davis, Ga.	Hutchinson	Poage
Davis, S.C.	Jacobs	Podell
de la Garza	Jarman	Poff
Delaney	Johnson, Calif.	Preyer, N.C.
Dellenback	Johnson, Pa.	Price, Ill.
Dellums	Jones, N.C.	Pucinski
Denholm	Jones, Tenn.	Purcell
Dennis	Karth	Quie
Donohue	Kastenmeier	Railsback
Dow	Keating	Rangel

Rees	Smith, Calif.	Ullman
Rhodes	Smith, N.Y.	Van Deerlin
Riegle	Springer	Vander Jagt
Robison, N.Y.	Staggers	Vanik
Rodino	Steed	Wampler
Roe	Steiger, Ariz.	Ware
Rogers	Steiger, Wis.	Whalley
Rooney, N.Y.	Stephens	White
Rosenthal	Stokes	Whitehurst
Rostenkowski	Stratton	Williams
Roush	Stubblefield	Wilson, Bob
Roybal	Stuckey	Winn
Ruppe	Sullivan	Wolff
Ryan	Symington	Wright
Sarbanes	Talcott	Wydler
Scheuer	Taylor	Wylie
Schneebeli	Teague, Calif.	Yates
Scott	Terry	Yatron
Seiberling	Thompson, N.J.	Young, Tex.
Sisk	Thomson, Wis.	Zablocki
Slack	Udall	Zwach

NAYS—50

Abbitt	Fisher	Robinson, Va.
Abernethy	Griffin	Roncalio
Andrews, Ala.	Gross	Runnels
Baker	Grover	Ruth
Baring	Haley	Sandman
Belcher	Hunt	Satterfield
Bevill	Kyl	Scherle
Broomfield	Michel	Schmitz
Camp	Miller, Ohio	Sebelius
Collins, Tex.	Mills, Md.	Shoup
Colmer	Mizell	Skubitz
Daniel, Va.	Montgomery	Snyder
Davis, Wis.	Nichols	Spence
Devine	Price, Tex.	Thompson, Ga.
Dickinson	Quillen	Waggonner
Downing	Randall	Zion
Duncan	Rarick	

NOT VOTING—132

Abzug	Ford,	Miller, Calif.
Adams	William D.	Mills, Ark.
Addabbo	Fraser	Moss
Andrews,	Galifianakis	Nix
N. Dak.	Goodling	Pelly
Archer	Green, Pa.	Pepper
Ashbrook	Griffiths	Pettis
Ashley	Gubser	Peyser
Badillo	Hall	Pickle
Barrett	Halpern	Pirnie
Bell	Hammer-	Powell
Betts	schmidt	Pryor, Ark.
Bingham	Hanna	Reid, N.Y.
Blackburn	Harsha	Reuss
Blanton	Hastings	Roberts
Bray	Hathaway	Rooney, Pa.
Brotzman	Hawkins	Rousselot
Byrne, Pa.	Hays	Roy
Caffery	Hébert	St Germain
Carey, N.Y.	Hillis	Saylor
Carney	Hungate	Schwengel
Casey, Tex.	Ichord	Shipley
Celler	Jonas	Shriver
Chappell	Jones, Ala.	Sikes
Chisholm	Kazen	Smith, Iowa
Clancy	Kee	Stanton,
Clark	King	J. William
Clawson, Del	Kluczynski	Stanton,
Clay	Landgrebe	James V.
Collins, Ill.	Link	Steele
Crane	Lloyd	Teague, Tex.
Culver	Long, La.	Thone
Dent	Lujan	Tiernan
Derwinski	McClure	Veysey
Diggs	McCormack	Vigorito
Dingell	McDade	Waldie
Dorn	McKay	Whalen
Dowdy	McKevitt	Whitten
Dulski	Macdonald,	Widnall
Edmondson	Mass.	Wiggins
Edwards, La.	Madden	Wilson,
Erlenborn	Mailliard	Charles H.
Esch	Mathias, Calif.	Wyatt
Eshleman	Mathis, Ga.	Wyman
Findley	Mayne	Young, Fla.
Flowers	Melcher	
Flynt	Metcalfe	

So the bill was passed.

The Clerk announced the following pairs:

Mr. James V. Stanton with Mr. Mathias of California.
Mrs. Abzug with Mr. Badillo.
Mr. Bingham with Mr. Clay.
Mr. Dorn with Mr. Mayne.
Mr. Hathaway with Mr. Pelly.
Mr. Hanna with Mr. Metcalfe.
Mr. Nix with Mr. Collins of Illinois.
Mr. Caffery with Mr. Pettis.
Mr. Casey of Texas with Mr. Powell.
Mr. Carney with Mr. Peyser.
Mr. Hawkins with Mr. Carey of New York.
Mrs. Chisholm with Mr. William D. Ford.
Mr. Galifianakis with Mr. Schwengel.
Mr. Melcher with Mr. Rousselot.
Mr. Smith of Iowa with Mr. Shriver.
Mr. Ichord with Mr. Pirnie.
Mr. Kee with Mr. Reid of New York.
Mr. Culver with Mr. Steele.
Mr. Clark with Mr. Thone.
Mr. Pryor of Arkansas with Mr. Veysey.
Mr. Edmondson with Mr. Whalen.
Mr. Whitten with Mr. Young.
Mr. Dowdy with Mr. Wiggins.
Mr. Flynt with Mr. Wyatt.
Mrs. Griffiths with Mr. Widnall.
Mr. Pepper with Mr. Wyman.
Mr. Mills of Arkansas with Mr. Fraser.
Mr. Reuss with Mr. Madden.
Mr. Shipley with Mr. Vigorito.
Mr. Dent with Mr. Chappell.
Mr. Hébert with Mr. Hall.
Mr. Hays with Mr. J. William Stanton.
Mr. Teague of Texas with Mr. Hammerschmidt.
Mr. Charles H. Wilson with Mr. Landgrebe.
Mr. Adams with Mr. Brotzman.
Mr. Addabbo with Mr. Harsha.
Mr. Ashley with Mr. Betts.
Mr. Blanton with Mr. Bell.
Mr. Byrne of Pennsylvania with Mr. Andrews of North Dakota.
Mr. Celler with Mr. Halpern.
Mr. Dingell with Mr. Clancy.
Mr. Diggs with Mr. Derwinski.
Mr. Flowers with Mr. Blackburn.
Mr. Dulski with Mr. Esch.
Mr. Hungate with Mr. Ashbrook.
Mr. Jones of Alabama with Mr. Lloyd.
Mr. Kazen with Mr. Archer.
Mr. Kluczynski with Mr. Erlenborn.
Mr. Link with Mr. Crane.
Mr. McKay with Mr. Hastings.
Mr. Mathis of Georgia with Mr. Del Clawson.
Mr. McCormack with Mr. Hillis.
Mr. Tiernan with Mr. Bray.
Mr. Macdonald of Massachusetts with Mr. Mailliard.
Mr. Miller of California with Mr. Jonas.
Mr. Moss with Mr. Lujan.
Mr. Pickle with Mr. Eshleman.
Mr. Roberts with Mr. Findley.
Mr. Rooney of Pennsylvania with Mr. Goodling.
Mr. Roy with Mr. McClure.
Mr. St Germain with Mr. McDade.
Mr. Barrett with Mr. Saylor.
Mr. Green of Pennsylvania with Mr. McKevitt.
Mr. Waldie with Mr. Gubser.
Mr. Sikes with Mr. King.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8687) entitled "An act to authorize appropriations during the fiscal year 1972 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength of the Selected Reserve of each Reserve component of the Armed Forces, and for other purposes."

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 1026. An act to amend the Small Reclamation Projects Act of 1956, as amended.

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

S. 2819. An act to provide foreign military and related assistance authorizations for fiscal year 1972, and for other purposes.

PERMISSION FOR COMMITTEE ON RULES TO FILE A PRIVILEGED REPORT

Mr. SISK. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file a privileged report.

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

There was no objection.

LEGISLATIVE PROGRAM

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

Mr. GERALD R. FORD. Mr. Speaker, I take this time for the purpose of asking the distinguished majority whip the program for the remainder of the week, if any, and the schedule for next week.

Mr. O'NEILL. Mr. Speaker, will the gentleman yield?

Mr. GERALD R. FORD. I yield to the gentleman from Massachusetts.

Mr. O'NEILL. Mr. Speaker, there is no further legislative business for today, and upon announcement of the program for next week, I will ask unanimous consent to go over until Monday.

The program for next week is as follows:

On Monday we will have the consent calendar and nine suspensions, as follows:

H.R. 11302—Cancer Attack Act.

H.R. 11350—Membership in International Criminal Police.

Senate Joint Resolution 132, Copyright Protection.

H.R. 11651, Disability and Debt Pension.

H.R. 11652, Dependence and Indemnity Compensation.

H.R. 5068, Navajo Community College.

H.R. 11080, Redwood Tracts Taken for Parks.

H.R. 3599, Modifying Ammunition Recordkeeping.

S. 2559, Insured Emergency Loans.

Then we will have S. 18, Radio Free Europe and Radio Liberty, under an open rule with 1 hour of debate.

On Tuesday we will have the Private Calendar, and the Defense Department appropriation bill, which was granted a rule today, with 3 hours of debate.

Then we will have H.R. 11589, foreign sale of passenger vessels, under an open rule with 1 hour of debate.

On Wednesday and the balance of the week, we will have H.R. 11060, Federal election reform, under an open rule with 2 hours of debate.

Conference reports may be brought up at any time.

Any further program will be announced later.

Mr. Speaker, there will be no legislative business for the week of November 22.

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

Mr. GERALD R. FORD. I yield to the gentleman from Iowa.

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

When, Mr. Speaker, is it proposed to bring up the bills to provide for additions to the House of Representatives, in other words, the Delegate bill?

Mr. O'NEILL. If the gentleman will yield, the Delegate bill will be brought up after the Thanksgiving vacation.

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

DISPENSING WITH BUSINESS IN ORDER UNDER THE CALENDAR WEDNESDAY RULE ON WEDNESDAY NEXT

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

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

There was no objection.

ADJOURNMENT OVER TO MONDAY, NOVEMBER 15, 1971

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet on Monday next.

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

There was no objection.

ROGERS CHARGES HEW WITH DECIMATING HOSPITAL, CLINIC HEALTH SYSTEM

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

Mr. ROGERS. Mr. Speaker, creditable sources inform me that HEW officials are proceeding to decimate the Public Health Service hospital and clinic system by ordering, in effect, a cutback of between 65 and 90 percent of the physicians which man the facilities.

I have learned that Dr. Vernon Wilson, Administrator of the Health Services and Mental Health Administration approved an order which is a first step to take 200 of the general medical officers out of the eight hospitals and 30 clinics. Estimates differ on the number of physicians in the system. If the figure of 300 is valid, then it will be a 66-percent cut, if it is 220, as some maintain, then the figure would be 91 percent.

This order comes under the guise of allowing these physicians to volunteer for the emergency health personnel service. But the fact is they want 200 physicians, and if no one volunteers, then they will be assigned and no one will be brought in to take their places in the hospitals and clinics.

Tragically, the Department of HEW has not used the Emergency Health Personnel Act. Nor really tried to implement it although it was signed by the President 11 months ago to send physicians and other medical personnel into medical shortage areas.

But this latest act is robbing Peter to pay Paul. This is an ill-conceived plan to give life to one program while sapping it from another. One can help the other. But not in this vampire fashion. The transfer of these physicians will ruin the hospital operations and undoubtedly close many of the clinics. On its face, this order reflects the administration's low interest in providing health care services and is a defiant effort to close the hospitals after both the House and Senate passed resolutions and appropriated money specifically to keep them open and operating.

Attempts to close the hospitals has already resulted in two hospital directors being relieved of their positions in Seattle and Baltimore because they objected to the proposed closings. In addition, Dr. Jack Butler, director of the Federal Health Programs Service, has also been relieved of his position.

The majority of the clinics have but one physician. Take that physician and the clinic is closed.

An action such as this dramatically points to the absolute lack of commitment on the part of the administration to providing health care service for the American public.

The hospitals affected are located in San Francisco, New Orleans, Baltimore, Boston, Staten Island; Galveston, Norfolk, and Seattle. The clinics are: Jacksonville, Miami, Tampa, Fla.; Atlanta, Savannah, Ga.; Honolulu, Hawaii; Chicago, Ill.; Portland, Maine; Detroit, Mich. St. Louis, Mo.; Buffalo, New York City, N.Y.; Cincinnati, Cleveland, Ohio; Portland, Ore.; Philadelphia, Pittsburgh, Pa. San Juan, Puerto Rico; Charleston, S.C.; Memphis, Tenn.; Houston, Port Arthur, Texas. and Washington, D.C.

BACKGROUND INFORMATION ON TARIFF COMMISSION ACTION ON "OVER-47-CENT" CHEESE

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

Mr. MYERS. Mr. Speaker, I present to the House this background information on Tariff Commission action on "over-47-cents" cheese.

Starting in about 1966 there has been an increase in dairy imports, primarily because importers have found ways of legally evading the various quotas which apply on many dairy import items. During that time the Tariff Commission has held at least four hearings on these products. In each instance Presidential action followed which tended to close the latest import loophole. However, immediately thereafter the importers would find some other means of evasion.

In January 1969 a number of cheeses were placed under quota, but it was decided that any cheese in these categories which cost 47 cents or more would be exempt from the quota. This was intended to permit specialty cheeses, which are not normally manufactured in the United States, to be imported. In fact, at the time the U.S. Department of Agriculture stated in a press release:

> These are the high priced miscellaneous specialty cheeses such as are normally found in gourmet food counters and stores.

Again the importers found means of increasing imports in this quota-free category, so that by 1970 the "over-47-cent" cheeses accounted for nearly 25 percent of all dairy imports.

As a result the President, on March 12, asked the Tariff Commission to hold hearings and make recommendations on this type of item. Subsequent to the hearings the Tariff Commission made its recommendation to the President on July 28.

They recommended that the 47-cent price break be abolished and that a quota be established for the various types of cheeses involved regardless of prices. Actually there are three quota groups involved—swiss cheese, gruyere-process cheese, and certain other cheese. The Commission recommended that the present quotas for each of these three categories, which had previously applied only to "under-47-cent" cheeses, be increased by taking into account recent imports of "over-47-cent" cheeses. In effect the new quota, which was to cover regardless of purchase price, would be based on the past shipment of both over and under 47-cent cheeses.

Though the President made his request 8 months ago and the Tariff Commission made its recommendation over 3 months ago there has been no further action.

During this delay the imports of the cheeses in question which are outside of quota—over 47 cents—have been increasing. Latest USDA figures which cover the period from January 1 through September 30 show:

> Swiss-Emmenthaler, 113% of same period in 1970.
>
> Gruyere process, 110% of same period in 1970.
>
> Other, 115% of same period in 1970.

In every instance this is an increase over what had shown a month earlier.

I hope the President will soon take action on this. As you are aware domestic dairy production is up this year over 1970. In the light of this we would like to see this import matter resolved.

The President is to be commended for calling for these hearings, which the Tariff Commission promptly held. There appears to be nothing to be gained by delay in taking final action on this matter, but we recognize the inherent harm in this delay to the domestic dairy industry.

THANKSGIVING DAY SALUTE TO SENIOR AMERICANS

(Mr. GERALD R. FORD asked and was given permission to address the House for 1 minute and to revise and extend

his remarks and include extraneous matter.)

Mr. GERALD R. FORD. Mr. Speaker, one of the greatest problems of the 20 million senior citizens in this country is loneliness—the feeling that they are not wanted. And more than half of them say they do not have enough money to make ends meet—cannot afford to buy the food they like.

I feel very deeply about our senior citizens. That is why I was most pleased when Miss Carmella LaSpada, representing a nonprofit voluntary organization known as VIP, asked me to call the attention of the House to VIP's plans for a salute to senior Americans on Thanksgiving Day.

I am sure we all agree that we have not been doing enough to involve older people in the activities of our American society. This is a tragedy because it means that our senior citizens become isolated and withdrawn from society instead of feeling themselves a part of it.

VIP has suggested a way to start correcting this shortcoming, an effort in which I am pleased to join. With Miss LaSpada as the national coordinator, VIP is asking Members of the House to visit one of the homes for the aging in their districts on Thanksgiving Day. I will be most happy to do so, and I hope every other Member of the House who has the opportunity will also make such a visit.

We must make Thanksgiving as meaningful and enjoyable as possible for our senior citizens, especially those millions who live alone or in homes for the aging. I might mention in this connection that VIP has asked the Governors of the 50 States and their wives to host Thanksgiving Day dinners for the elderly in their areas who are living alone.

We can all help to make Thanksgiving Day a memorable occasion for elderly Americans who otherwise would spend the day feeling uncared for and lonely.

I would like to insert at this point in the RECORD the letter to me concerning the Thanksgiving Day salute to senior Americans from Miss LaSpada and from Johnny Unitas, president of VIP.

THANKSGIVING DAY
SALUTE TO SENIOR AMERICANS,
Washington, D.C.

DEAR CONGRESSMAN: This is to thank you for your reply to the VIP invitation requesting your participation in the Thanksgiving Day Salute to Senior Americans.

We are sincerely appreciative of the response from Senators and Congressmen who have enthusiastically agreed to participate by including older Americans in their own holiday festivities or by visiting a home for the aging in their State or District. We hope this "Salute" will become an American tradition.

This tribute is not meant as a token recognition but as a sincere acknowledgement of the debt we owe our older citizens and the affection we have for them. At the same time this annual event, remembering the older Americans amongst us, is symbolic of the continuing care we have for them throughout the year.

On behalf of VIP, we wish to express our gratitude to you. We believe that many more Americans will have a happy Thanksgiving Day this year because of your concern and your personal efforts.

Wishing you and your family a very happy Thanksgiving, we remain

Sincerely,

Mrs. DWIGHT D. EISENHOWER,
Honorary National Chairman.
JOHNNY UNITAS,
President, VIP.
(Miss) CARMELLA LASPADA,
National Coordinator, Thanksgiving Day Salute to Senior Americans.

Mr. FULTON of Tennessee. Mr. Speaker, I am today pleased to join my distinguished House colleagues in asking that Thanksgiving Day be a day for saluting senior citizens.

That nearly 10 percent of America's citizens are 65 or older indeed makes them a group due our acknowledgment. That they have for so long contributed to building our Nation, carrying us through earlier times of trial and crisis to our current role of prominence deserves, in fact demands our deepest tribute. That they still have much to offer in future days commands our fullest attention.

On this Thanksgiving Day, a day on which all Americans look back to our Pilgrim heritage and the tasks which those before us faced and mastered, we would do well to seek the counsel of those whose experience and know-how helped us come so far. Ours are troubled times, times in which the judgment and ideas of those surviving past troubles can stand us in good stead.

I know that many of my colleagues will spend part of this Thanksgiving holiday visiting our senior citizens, seeking their advice, weighing their remarks and the actions they would have this body undertake. I would urge that more take similar action—try, as I do, to meet with the elderly as often as possible.

For their problems are our problems and their thoughts should be in our thoughts. And the Thanksgiving season is a time most fitting for extending to them our thanks for their contributions—past, present, and future.

Mr. CRANE. Mr. Speaker, as we reflect upon what we can do for our senior citizens which will, in the long run, be of most benefit to them, the answer, it seems to me, is clear. That answer is this: Provide senior citizens who depend upon their pensions and social security payments with a dollar that is really worth a dollar. Give them back a dollar which is worth the same amount it was worth when they initially deposited it in social security and pension plans.

In recent years our mounting inflation has done its most damage to our senior citizens. These men and women have had to pay more in rent, in food prices, in health costs, and in expenses in every area of their lives, while their pension payments have remained either the same or have increased at a far slower pace.

As anyone with even a basic knowledge of economics understands, every price is simply the terms of an exchange on the market. The key to what makes prices high or low is the relationship between the supply of goods available and the supply of money. If, for example, the supply of money in the country were to double overnight and the supply of goods remain the same, we would all enter the market with twice as many dollars as compared with yesterday. The result would be that we would pay twice as much for the available goods.

In recent years the supply of dollars has continued to accelerate. As the supply of dollars has risen, prices have risen with them. The culprit in this area has been the Federal Government, which has absolute control of the supply of money, and regulates it. The Government, and many Members of this body, have been increasing the supply of money for a variety of reasons, either to "stimulate" the economy, to finance its own enormous budget deficits, to help our favored borrowers, to lower interest rates, and for a variety of other reasons.

Such deficit spending may bring benefits for a short time to favored groups, but it does so only at the expense of others and the first to be harmed are our senior citizens. In the long run a policy of deficit spending brings ruinous consequences to the whole community.

America's senior citizens are very much like the "forgotten man" discussed by William Graham Sumner in his essay written in 1883. He wrote:

As soon as A observes something which seems to him to be wrong, from which X is suffering, A talks it over with B, and A and B then propose to get a law passed to remedy the evil and help X. Their law always proposes to determine what C shall do for X or, in the better case, what A, B, and C shall do for X . . . What I want to do is look up C . . . I call him the Forgotten Man. He is the man who is never thought of. He is the victim of the reformer, social speculator and philanthropist, and I hope to show you before I get through that he deserves your notice both for his character and for the many burdens which are laid upon him.

It is C, the forgotten man, who is always called upon to pay for the vicarious generosity of others.

As we consider the plight of our senior citizens we should avoid the platitudes so often heard on such occasions. If we want to be of real assistance to this group of forgotten Americans the best way we can do it is to restore the integrity of the dollar and create a situation in which men and women can grow old gracefully, certain that a dollar saved today will be worth having tomorrow.

GENERAL LEAVE TO EXTEND REMARKS

Mr. GERALD R. FORD. Mr. Speaker, I ask unanimous consent that all Members may have permission to extend their remarks on the Salute to Senior Americans.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

MR. FINCH'S TRIP TO LATIN AMERICA

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

Mr. FASCELL. Mr. Speaker, some time today, Mr. Robert Finch, a counsellor to the President, accompanied by Charles Meyer, the Assistant Secretary of State for Inter-American Affairs, and other officials, will depart on a trip to six Latin American countries.

According to newspaper reports, Mr. Finch will carry with him President Nixon's personal greetings and letters of friendship to the presidents of Peru, Ecuador, Argentina, Brazil, Honduras, and Mexico.

That, in itself, appears to be an important mission when one considers the unsettled condition of our Postal Service and the difficulties which some of our Ambassadors must encounter in trying to explain the recent U.S. initiatives affecting our foreign policy toward the other countries of this hemisphere.

Yet I wonder if there is more to Mr. Finch's mission than that.

The other day, Mr. Finch was quoted as saying—

> It is fair to say that the general state of relations between the U.S. and Latin America has been at a pretty low ebb for some time . . .

With that, I most heartily agree.

Mr. Finch went on to say that his trip—

> Is a step toward restoration of those relations.

If that is the case, then the trip must involve a bit more than just the delivery of "letters of friendship."

Surely our neighbors to the South have been exposed to enough verbal assurances of U.S. friendship.

What they may prefer at this point is some concrete manifestation of the "special relationship" which is supposed to bind the countries of this hemisphere.

A repeal of the 10-percent import surcharge, or some progress in carrying out commitments entered into during the past 2 years, may be more conducive to the restoration of improved relations in this hemisphere than just plain words.

I wonder, therefore, whether there is not more to Mr. Finch's trip than meets the eye.

Unfortunately, the Subcommittee on Inter-American Affairs, which I have the honor to chair, has received no indication of what the President's emissary may be carrying in his travel bag.

We live in a time when presidential assistants play important roles in the formulation and execution of U.S. foreign policy. Such use of their talents is, of course, fully within the realm of the President's prerogatives.

But it would be nice if, once in a while, the Congress were included in those processes.

For the time being, all we can do is wait and see what surprises will come out of Mr. Finch's travels south of our borders.

TRIBUTE TO TRENT C. ROOT, SR.

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

Mr. CABELL. Mr. Speaker, just recently a very fine tribute to Trent Root, Sr. by Dr. Fred W. Bryson has been brought to my attention. I ask permission to include this eulogy in the CONGRESSIONAL RECORD.

Trent Root was vice president and treasurer of Southern Methodist University and in 1966 retired and became vice president and professor of finance emeritus.

Trent was a member of Highland Park United Methodist Church. He was past president of the Rotary Club of Dallas, former governor of Rotary District 581, and a counselor and member of the Rotary Foundation Committee of Rotary International. In addition, he served on various civic boards and committees of the YMCA, American Red Cross, Camp Fire Girls, and the North Dallas Chamber of Commerce.

It is readily apparent that Trent Root was not only a great educator and dedicated Christian, but a fine citizen of his community who worked for its betterment at all times.

Mr. Speaker, the eulogy is as follows:

A EULOGY

We are here in this special service of worship to express to God our thanksgiving for the bountiful blessings brought to us, individually and to our country, through the remarkable and generous life of Trent Root.

We are here not because a life has ceased but to honor a life that was lived fully and beautifully. Trent Root will continue to influence and inspire us in the future as he has in the past.

We have gathered here, then, not because of an event but because of a person—a great person. I can speak of Trent Root only in a very personal way. I respected him for his great intellectual and professional abilities; I loved him as a person. So this eulogy is personal, joyfully so, because of what Mr. Root has meant to me. It will be brief—he never made a long speech.

Trent Root was a personable man—a dynamic influence in the life of everyone who knew him. Each of us can recount the person he was to us. We knew him in different ways as a loving husband, father, and grandfather; as a distinguished educator, administrator, and teacher; as a churchman who gave unselfish leadership in many areas of the church; as a citizen and soldier who served his country in peace and war; and as a community and national leader in many worthy causes—clubs and professional associations. Yet, in these many fields of activity there was the person who was not only exceptionally able and devoted but one who was warm and gentle, and one who gave his life in service to others . . . all who knew him as a friend are richer for it.

Professionally, Trent Root was a nationally prominent educational financial officer. He was very astute at employing the available resources in the most effective way. Yet, his real wisdom was his recognition that resources are nothing unless invested in people. He showed a great stewardship not just of material resources but of human life. Many here can tell how Trent Root has blessed their lives through trust, encouragement, and direct help; through wise counsel, loyal friendship, and support in so many ways—the timely anecdote, the spoken commendation or the handwritten note when we needed it most and then those countless times and ways he commended us to others.

He has been and will continue to be an inspiration because of his example as a loving, devoted husband and father. His extended illness in recent years showed the love for his wife and children. The loving care of his wife during his illness reflected the deep relationship between these two. Today, when family life is being questioned as a viable social unit the Root home quietly demonstrates the joys of marriage and family life. Yes. Trent Root was a devoted family man and enjoyed the blessings of a happy home.

We will remember this man most perhaps for the great gift of humor he shared with us. He has been lovingly referred to as the "Will Rogers of West Texas." He had a way of making a point more vivid with his humor and wit. He would put on a straight face, tell a funny story, and then his eyes would begin to sparkle and that famous smile would warm the heart of his listeners. He shared his delightful humor with countless thousands in churches, civic clubs, educational and professional groups and colleagues, young and old throughout the country. In these times of great crisis and strain, we would do well in our concern with current problems to apply the creative humor of this truly remarkable man.

In the private study at his home the walls are covered with pictures, and the bookshelves contain many collections that reflect his lifelong involvement with people in countless worthy programs. This was the life he lived—significant experiences with others—in the home with his wife, children and grandchildren; in the church as teacher of a Sunday school class and church board member; in the community with the Red Cross, Campfire Girls, Chamber of Commerce, YMCA, the Rotary Club; and with educators throughout the nation. He reflected the philosophy that one becomes immortal in the lives of people he knows and serves. So he lives in our lives . . .

His collections show his sense of history. He was grateful for the heritage that was his from his parents, his state and nation. He lived in such a way as to leave us, his family and friends, and his country a greater heritage.

In Proverbs we read, "The Spirit of man is the candle of the Lord." The spirit of Trent Root has been a candle of the Lord to many of us. His life has brought more of the light of faith, hope and truth to us. His example of love for his wife and family, for his church, profession and country and for his work with others has brought a brighter light to all who knew him.

A parable of Jesus tells how different people used, wisely or foolishly, that which was entrusted to them. Trent Root used wisely, productively and humanely that which God gave to him. God has surely said to him:

"Well done, thou good and faithful servant; enter thou into the joys of Thy Lord."

TAKE PRIDE IN AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. MILLER) is recognized for 5 minutes.

Mr. MILLER of Ohio. Mr. Speaker, today we should take note of America's great accomplishments and in so doing renew our faith and confidence in ourselves as individuals and as a nation.

In this age of modern technology the number of man-hours to produce the agricultural goods and services necessary has steadily decreased.

In 1948, the number of man-hours used for all farm work totaled about 16.5 billion. In 1963, the number was 8.8 billion. By 1970, it had dropped to 6½ billion.

AMEND THE RAIL PASSENGER SERVICE ACT OF 1970

The SPEAKER pro tempore. Under a previous order of the House, the gentle-

man from New York (Mr. KEMP) is recognized for 15 minutes.

Mr. KEMP. Mr. Speaker, I commend the Subcommittee on Transportation and Aeronautics of the House Interstate and Foreign Commerce Committee for holding hearings on the problems and potential of intercity rail passenger service. I have been following closely the progress of Amtrak from its legislative beginnings and I have been both encouraged and concerned by developments to date.

In fairness, I believe that Amtrak has not yet had time to barely begin the monumental task the Congress has assigned to it, but in summing up all the plusses and minuses I believe a good start has been made. I favor prompt and increased funding for the National Railroad Passenger Corp., and I am here to urge enactment of authorizing legislation. At the same time I favor certain changes in Amtrak's basic legislative charter. As you know I have introduced House Joint Resolution 613 with 51 cosponsors that would make a number of such changes.

But rather than confine myself to the details of the specific legislation I have introduced, I would like to touch briefly on what I believe are the general problems that Amtrak faces, which seem to call for legislative solution.

Fundamentally, of course, the basic problem is money. I think it is fair to say that the case has already been established that support for intercity rail passenger service is in the national interest. It has been decided that intercity rail passenger service should not only be saved but drastically improved and that funds should be provided to this end. This in fact is the conclusion embodied in the Rail Passenger Service Act of 1970, and I regard that legislation as a credit to the House Interstate and Foreign Commerce Committee and the Congress.

Rails can provide an attractive alternative to other modes of travel that are increasingly reaching the limits of congestion and uneconomic costs, both in dollars and in other values important to maintaining and improving our quality of life.

The proper investments now will pay large future dividends and permit important benefits today as well. Insufficient financing will court failure and close the doors on a transportation option that needs much more attention now than it has received in the recent past.

Accordingly, I support the authorization of the additional funding that is under consideration, and I would support the commitment of larger amounts as well. I do not propose that Amtrak or any other organization be given a blank check, however, and the funds provided for should, I feel, be accompanied by the appropriate congressional guidance.

As matters now stand, the Amtrak system is a mixture of basic routes provided for in the act and some so-called provisional or experimental routes. One of these provisional routes, between Buffalo and Chicago via Cleveland, directly affects my constituents. On all the routes that have been added to the basic system, there hangs a threat of a discontinuance of service that can only inhibit potential ridership and must adversely affect decisions by all concerned regarding investment in badly needed improvements and promotion.

I believe, and I know many others agree, that the basic system as originally established under the terms of the act was inadequate to the national need. In addition to routes omitted and since added on a provisional or experimental basis, there are large areas of the Nation still unserved, including whole States. The legislation I have previously introduced spells out a number of routes whose addition would better fill out the Amtrak service map.

One suspects that the provisional routes Amtrak has already added are a great deal more permanent than Amtrak is willing at this time to admit. Nevertheless, their second-class status jeopardizes the steps that need to be taken to insure the development of these routes, and without a full commitment to seek substantial ridership growth it could well be that the money now being spent for these added routes will just be money wasted. First-class status for these and other needed routes could and should be written into the law.

By the same token, the unrealistic matching requirement for State support of added routes should be reduced from the present two-thirds to one-third, and Amtrak's ability to add still other experimental routes without State support should be clarified. I have no real quarrel with the experimental service as such that have already been set up, for I believe it can be shown that the added trains increase Amtrak service to the public or at least have the potential to do so. Amtrak should remain free to experiment, but I do believe that the present mixture of State support for some added routes and not for others can only cause problems.

A reduced level of the State support to be required should also reduce the pressure for some routes to be added that are exempt from the requirement. To preserve Amtrak's flexibility to conduct research, an amendment to the Act requiring advance public notice of wholly-Amtrak-supported route additions could insure that any proposed experimentation can stand on its merits, thus reducing suspicion and bad feelings among the states supporting other routes.

Perhaps some legislative attention could be paid as well to Amtrak's capital and equipment budget. I also note with some concern that Amtrak's proposed budget does not contain much provision for research and development, although I realize that advanced rail research is being federally funded through programs within the Department of Transportation. Nevertheless, there seems to remain a considerable need for research and development directly related to Amtrak's mission, which would best be conducted by Amtrak itself.

I have in mind a number of areas that ought to be given priority, including the development of advanced reservations and train information communications systems, as well as new trains that can bridge the gap between the presently available equipment and the more futuristic approaches being studied by the Department of Transportation's Office of High Speed Ground Transportation.

With the funds Amtrak is requesting there is not clear amount to be earmarked for either research or vitally needed new equipment and facilities. In fact, funds that were thought to be devoted to capital improvements are instead to be applied to operating expenses as well. The distinction may be one of bookkeeping, but I believe that in passage of the original act the Congress in setting up the loan guarantee provisions intended that adequate funds be available and set aside for capital improvements.

It may be necessary for the Congress to speak again on this matter to insure that the funds provided for improvements actually be applied to that purpose and not be dissipated in simply making ends meet. Also, I see an immediate need for more capital funds than the Amtrak budget projects through June of 1973. The cost of new cars and locomotives is high, but modern and faster trains are what will attract passengers and provide the most realistic hope for reducing losses. It seems clear that Amtrak could put to good use more new equipment than the present budget would allow for.

In summary, therefore, I urge the following actions. First, the funds requested should be authorized. Second, if possible the funds authorized for new equipment should be increased, but at the least a separate category for such funds should be clearly provided in the law, so that the Congress may be assured that authorized funds will be in fact used for such improvements.

Third, I urge that the present provision of the law concerning State support of added routes be changed so that States, localities, or regional groups need only contribute one-third of the actual operating deficits, instead of the present two-thirds. Perhaps an authorization should also be provided Amtrak to make up any additional cash losses resulting from this change.

And fourth, I would seek a requirement that Amtrak give adequate advance notice of all services it proposes to add or subtract, so that all affected groups and regions will have an opportunity to examine and question the allocation of resources involved, and so that Amtrak can be given an opportunity to make a clear record and justification of its decisions.

I believe that continued funding is essential if we are not to lose the modest investment we have made to date and especially if we are not to lose the opportunity of building a better-balanced transportation system adequate to tomorrow's needs. The other changes I advocate will better help us develop a truly innovative and useful system, and help speed the arrival of better passenger train service than the Nation has ever known.

I am sure the committee will give close consideration to the problems we are now facing, and I hope the committee will report legislation to the House in the near future. I am pleased I had an opportunity to testify before the committee on what I regard as one of the more far-reaching initiatives that the Con-

gress has taken in the field of America's national transportation needs.

Mr. Speaker, I urge the cosigners of my resolution and all of my colleagues to follow through on their desire to make Amtrak a success. I am hopeful they will evaluate the hearings and express themselves on the need to provide adequate financial assistance to the National Railroad Passenger Corp. At this point I include a list of the cosponsors to the Kemp resolution.

LIST OF COSPONSORS TO HOUSE JOINT RESOLUTION 613

Andrews of North Dakota, Aspin, Baker, Bennett, Brademas, Brinkley, Carney, Collins, Conable, Conte, Diggs, Donohue, Dow, Dulski, Duncan, Fish, Grasso, Gubser, Halpern, Hansen of Washington, Harrington, Hicks, Hillis, Horton, Keating,

King, Lent, Link, McCloskey, McClure, Mckevitt, McKinney, Minshall, Morse, O'Konski, Podell, Powell, Quillen, Reid of New York, Roe, Roush, Roybal, Schwengel, Seiberling, Smith of New York, J. William Stanton, Stratton, Terry, Ullman, Whitehurst.

PARAPOLICE PERSONNEL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. ROSENTHAL) is recognized for 10 minutes.

Mr. ROSENTHAL. Mr. Speaker, today, I am introducing legislation which would provide Federal grants to State and local police departments for the recruitment, training, and utilization of para-police personnel—civilians who would assume police department functions totally unrelated to the prevention and control of serious crime, but which are now performed by regular and highly trained police officers. It is my judgment that enactment of this legislation would go a long way toward making our police forces much more efficient as a first line of defense against the ravages of violent crime.

Mr. Speaker, crime is a subject about which all Americans—and their elected representatives—are vitally concerned. A poll that I conducted in my own congressional district shows that crime is the No. 1 concern of my constituents. The Federal Bureau of Investigation reported recently that between January 1 and June 30, 1971, violent crime in America—murders, rapes, aggravated assaults and robberies—rose 11 percent. During the same period, crime in our Nation's six largest cities—New York, Chicago, Los Angeles, Philadelphia, Detroit, and Houston—was up 7 percent.

Everyone agrees, and properly so, that crime prevention and control is and should continue to be a matter for local units of government. However, the Federal Government has a grave responsibility to assist local governments in securing for our citizens the precious right of freedom from criminal conduct.

All thoughtful Americans are mindful, I am sure, of the social, physical, and psychological deprivations that cause criminal behavior. And all Americans of good will are committed, I believe, to eliminating the inequities in education, housing, employment, and environment that breed so much of our crime.

But until sociological change can be achieved, society must utilize all the constitutional tools at its command to protect itself from the death, destruction, and suffering brought about by the violent acts of criminals.

The immediate line of defense against such crime is, of course, our law enforcement agencies—most particularly our local police forces. It is apparent that the problems of local police departments are varied and complex: many are understaffed; some are inefficient; pay is often too low; some departments have inequitable hiring practices; some are too aloof from the problems of the cities; a few suffer occasionally from corruption.

The solutions to these problems are difficult and expensive. But it seems to me that it is foolish to talk about the need for more and better police, when far too much of the existing manpower and resources of many departments are committed to the performance of functions that in no meaningful way meet the security needs of our citizenry.

In his book "Crime in America," former Attorney General Ramsey Clark observed that—

> Law enforcement was once a relatively simple task, but today no activity in our society is more complex or requires a greater bundle of professional skills for effective performance.

And yet, Clark continues:

> Often police operate animal pounds and handle auto, bicycle, pet and other registrations. These functions have no real relationship to the policeman's central purpose. To use officers for such purpose impedes professionalization. This is true of most aspects of urban traffic control, such as regularly assigned rush hour intersection direction and giving parking tickets.

For several months I have carefully studied the nature and extent of the use of highly trained regular police officers for tasks which have little or nothing to do with the central purpose of police work—the prevention and control of felonious crime.

I have exchanged correspondence and information with a number of the leading chiefs of police across the country, and I have come to this startling conclusion: Many police departments expend far more of their professional police effort on non-crime-related activities, such as traffic control, than they do on efforts to control drug traffic—even though recent data suggests that as much as 80 percent of all felonies may be drug related.

While the need to civilianize many functions now performed by highly trained sworn police personnel is well known to law enforcement administrators across the country, the general public and Members of Congress are not sufficiently aware of the serious damage done to our crime-fighting effort by this misallocation of resources.

It is not generally known, for example, that regular and expensively trained police personnel in most local police departments perform the functions of bicycle registration, property custodian, clerical tasks, and the like. This is in addition, of course, to the regular use of police personnel for traffic control and traffic violations functions.

In St. Louis, regular police are used on emergency ambulance runs and to investigate sanitation complaints.

Regular police in Seattle, Wash., are used to supervise dance halls, to recover lost bicycles, and to serve traffic warrants.

In Los Angeles, a police sergeant serves as a school crossing guard coordinator; a policeman works as an abandoned vehicle appraiser; another patrolman is a bail accounting officer. In addition, policemen there serve as metal shop and carpenter foremen and as display artists and speech writers.

In New York City, many uniformed patrolmen are assigned to the personnel and staff services bureau; there are 402 patrolmen assigned to the communications division; there are many patrolmen assigned to the lost property section; 60 uniformed policemen are in the motor vehicle operator coverage section; and, incredibly enough, five members of the uniformed force are assigned as hostlers—men who take care of horses and mules.

In New York City, there are more than 800 uniformed policemen performing functions that have no relation to the direct enforcement of the criminal laws.

The numbers of highly trained uniformed patrolmen performing non-crime-related functions across the country is alarming. What is equally alarming, Mr. Speaker, is that many uniform patrolmen across the country who are assigned to regular crime-related work, spend a majority of their time on non-crime-related matters.

A comprehensive year-long study in 1967–68 by the New York City Police Department of the types of incidents with which policemen are involved demonstrates this fact. This study of the 20th Police Precinct in New York showed that while there were 6,157 incidents of a serious or felonious crime-related nature occupying 5,177 man-hours of time, there were 15,359 non-crime-related incidents occupying 10,660 total manhours. In other words, a typical New York City uniformed patrolman spends twice as much time dealing with non-crime-related incidents than with serious crime incidents. This startling fact is detailed in the following table:

Incident Type	Number of incidents	Total time (in minutes)	Average time (in minutes)
1. Other	5,629	162,310	28.8
2. Unfounded	5,132	102,881	20.0
3. Sick	4,552	202,143	44.4
4. Dispute	3,582	106,016	29.6
5. Burglary	2,518	104,881	41.7
6. Disorderly groups	1,693	37,780	22.3
7. Intoxicated person	1,555	41,830	25.9
8. Other misdemeanors	1,190	106,034	89.1
9. Injured	1,170	46,063	41.1
10. Alarm of fire	1,013	30,483	30.0
11. Auto accident	547	32,943	60.2
12. Larceny from auto	514	17,579	34.2
13. Robbery	512	33,476	65.4
14. Malicious mischief	435	16,261	37.4
15. Dead on arrival	402	60,216	149.8
16. Utility trouble	378	14,502	38.4
17. Felonious assault	309	26,982	87.3
18. Auto accident injury	286	25,334	88.6
19. Traffic violation	270	7,201	27.1
20. Accidental alarm	264	6,873	26.0
21. Grand larceny	235	11,598	49.4
22. Vehicle mechanical trouble	201	7,201	35.8
23. Grand larceny pocketbook snatch	130	6,366	48.9
24. Auto safety check	126	4,175	33.1
25. Prowler	121	3,549	29.3
26. Auto larceny	104	12,556	120.7
27. False alarm of fire	86	1,865	21.7

Incident Type	Number of incidents	Total time (in minutes)	Average time (in minutes)
28. Arrest-serving summons	81	2,480	30.6
29. Dangerous condition	81	3,510	43.0
30. Motor vehicle recovered	73	7,211	98.8
31. Other felonies	64	9,559	149.4
32. Narcotics	59	13,582	230.2
33. Found person	46	2,802	60.9
34. Traffic warrants	40	713	17.8
35. Property recovered	35	1,848	52.8
36. Rape	29	1,622	55.9
37. Missing persons	24	1,096	45.7
38. Auto accident, serious injury or death	13	2,587	199.0
39. Attempt suicide	13	1,056	81.2
40. Weapons	9	1,298	144.2
41. Prostitution	7	1,090	155.7
42. Gambling	7	813	116.1
43. Homicide	6	1,744	290.6
44. Suicide	6	607	101.2
45. ABC violation	5	160	32.0

There is something terribly wrong with our police department personnel system when highly and expensively trained police officers spend more time dealing with things like traffic violations, vehicle mechanical troubles, illnesses, utility troubles, and other such non-crime-related incidents than with things like burglaries, larcenies, robberies, felonous assaults, prowlers, narcotics, gambling, and other serious crime-related matters.

These startling facts become all the more dramatic when viewed against the rising tide of felonious crime across the Nation.

In Seattle, Wash., only 917 police department employees out of a total of 1,528—about 60 percent—are routinely available for duties directly related to the prevention and control of felonious crime. Police officers in Seattle's patrol division expend 8,117 man-hours per week on the prevention and control of felonious crime. This figure represents only about 38 percent of the total man-hours potentially available for such crime-related work.

In Los Angeles, Calif., there are 793 police officers assigned to traffic regulation, but who are otherwise available for crime-prevention duties. Each of these officers spends approximately 29 hours out of 41 hours per week—71 percent—on noncrime matters. In other words, of the 32,513 total weekly hours available to members of the traffic regulation branch, 22,759 hours per week are not related to crime control. Moreover, a special study performed for the Los Angeles Police Department identified 64 assignments involving 418 positions now performed by police officers but which do not require sworn police personnel.

In St. Louis, Mo., a 1967 police car activity report for the Ninth Police District, showed that there were 10 crime-related incidents consuming 365 minutes and 10 non-crime-related incidents consuming 367 minutes. With the exception of one larceny case which consumed 180 minutes of time, the St. Louis data shows that approximately half of a typical police car's time is consumed by non-crime-related incidents. A table detailing this study appears below:

FIGURE 7.—SUMMARY QUEUEING TABLE FOR THE 9TH DISTRICT FOR THE SATURDAYS DURING MAR. 6-26, 1967

Units	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Hours, 7 to 11:														
Total predictions	59	59	59	59	59	59	59	59	59	59	59	59	59	59
No delay	46	53	57	58	59	59	59	59	59	59	59	59	59	59
Delay	13	6	2	1										
Percent no delay	77	90	96	99	100	100	100	100	100	100	100	100	100	100
Percent delay	23	10	4	1										
1 more unit	8	3	1	1										
Hours, 11 to 15:														
Total predictions	92	92	92	92	92	92	92	92	92	92	92	92	92	92
No delay	35	62	77	85	89	90	91	91	91	92	92	92	92	92
Delay	56	30	15	7	3	1								
Percent no delay	38	67	84	93	97	99	100	100	100	100	100	100	100	100
Percent delay	62	33	16	7	3	1								
1 more unit	26	15	8	4	2	1								
Hours, 15 to 19:														
Total predictions	116	116	116	116	116	116	116	116	116	116	116	116	116	116
No delay	3	42	74	94	105	111	114	115	116	116	116	116	116	116
Delay	114	75	42	22	11	5	2	1						
Percent no delay	2	36	64	81	91	96	98	99	100	100	100	100	100	100
Percent delay	98	64	36	19	9	4	2	1						
1 more unit	39	33	20	11	6	3	1	1						
Hours, 19 to 23:														
Total predictions	116	116	116	116	116	116	116	116	116	116	116	116	116	116
No delay	2	39	72	93	105	111	114	115	116	116	116	116	116	116
Delay	114	77	44	23	12	5	2	1						
Percent no delay	2	33	62	80	90	95	98	99	100	100	100	100	100	100
Percent delay	98	67	38	20	10	5	2	1						
1 more unit	37	33	20	12	6	3	1	1						
Hours, 23 to 3:														
Total predictions	93	93	93	93	93	93	93	93	93	93	93	93	93	93
No delay	32	59	76	85	89	92	93	93	93	93	93	93	93	93
Delay	61	34	18	9	4	2	1							
Percent no delay	34	63	81	91	96	98	99	100	100	100	100	100	100	100
Percent delay	66	37	19	9	4	2	1							
1 more unit	27	17	9	5	2	1								
Hours, 3 to 7:														
Total predictions	37	37	37	37	37	37	37	37	37	37	37	37	37	37
No delay	35	37	37	37	37	37	37	37	37	37	37	37	37	37
Delay	2	1												
Percent no delay	94	98	99	100	100	100	100	100	100	100	100	100	100	100
Percent delay	6	2	1											
1 more unit	1	1												

Note: These predictions are for all Pauly areas in the 9th district—Prediction period—3 weeks starting Mar. 6, 1967; 7 days, 24 hours, Monday through Sunday. This page is for all Saturdays in the prediction period.

In the District of Columbia, only 76 percent or 3,808 sworn uniform personnel out of 4,994 are routinely available for duties directly related to the prevention and control of felonious crime.

In Los Angeles, Calif., if you exclude the 793 policemen assigned to the traffic detail—and we have seen earlier that most of their time is not available for direct crime-related work—only 4,765 employees out of 6,983 sworn personnel are routinely available for duties directly related to the prevention and control of felonious crime. In other words, approximately 32 percent of the uniformed force is not directly available for crime-related purposes.

In St. Louis, Mo., only 57 percent of the entire police department budget goes for salaries to sworn police personnel. In Seattle, Wash., only 65.7 percent of the total police department budget was utilized for the direct prevention and control of felonious crime.

Mr. Speaker, I think that this data shows incontrovertibly that far too much of the resources of typical police departments across the country and far too little of the police officer's actual time are devoted to safeguarding the lives and property of our citizens. It is for this reason that enactment of the bill I am offering today is so vital to the cause of domestic tranquility.

My bill would amend title I of the Omnibus Crime Control and Safe Streets Act of 1968. It would authorize grants directly to State and local units of general government for the development and implementatiton of programs and projects for the recruiting, training, and utilization of parapolice personnel. These parapolice personnel would assume certain police department duties which are now performed by regular police officers, and which are not directly related to the prevention and control of felonious crime. My bill authorizes the appropriation of 100 million dollars for a 4-year period beginning on July 1, 1972, for such grants. It further authorizes grants of $85

million for a second 3-year period, and $70 million for a third 2-year period. For the first grant period, grants can be made up to 80 percent of the cost of the parapolice program; for the second grant period, funds are authorized for up to 65 percent of the cost of the program; and for the third grant period, funds are authorized for up to 50 percent of the cost of the grant program.

These grant periods of 4 years, 3 years, and 2 years are designed to encourage long-term planning. They are designed to encourage, at the end of the 9-year period, a complete financial assumption by the States and localities of the costs of the program.

Mr. Speaker, the concept of civilianizing many responsibilities on our police forces and instituting a parapolice program are not new. Many police departments have recognized the deficiencies of assigning regular police personnel to non-crime-related functions, and have struggled to civilianize these jobs. Many police administrators know that the taxpayers, funds are wasted when highly trained and expensively trained police officers are forced to perform functions which, though important in and of themselves, do not deal directly with the problems of violent crime. A police trainee in New York City, for example, receives 560 hours of curriculum before he is eligible to become a full-fledged police officer. In Los Angeles, police officer recruits spend a total of 20 weeks in training before becoming a police officer. Prospective Washington, D.C., policemen receive an 18-week training course at the department's new academy and training school. It is tragic when such highly trained personnel are used to perform functions such as bicycle registration, property custodian, supply operations, emergency ambulance runs, and public information.

Many cities now have police cadet and meter-maid programs. New York City and Los Angeles have gone to considerable lengths to implement civilianization and parapolice programs. It is instructive, for example, that the New York City Police Department in its 1971–72 budget, requested a total of 796 civilian positions for their civilian replacement program. These 796 positions costing $5.7 million—which were not approved—would have resulted in 796 uniformed police being assigned to regular law-enforcement duties. The Los Angeles Police Department has civilianized personnel in the following areas:

Administrative staff personnel; jail and property personnel; scientific investigation; and parking control and traffic direction. The Los Angeles Police Department has plans in its 1972–73 budget to civilianize others. But much more needs to be done.

Mr. Speaker, it is my urgent hope that the legislation I am introducing today will receive quick attention from the appropriate committee of the House so that this serious problem can be more fully explained and developed. I am inserting in the RECORD at this point additional documentation including a letter I sent and answers received from various police departments across the country:

H.R. 11727

A bill to provide Federal financial assistance to local governments for the training of parapolice personnel

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

FINDINGS AND PURPOSE

SECTION 1. (a) The Congress finds that—

(1) the high incidence of crime in the United States threatens the peace, security, and general welfare of the Nation and its citizens;

(2) crime is essentially a local problem that must be dealt with by States and units of general local government if it is to be controlled effectively;

(3) to prevent serious crime and to insure the greater safety of the people of the United States, the resources of law enforcement agencies should be applied primarily to aid in the prevention and detection of felonious crime;

(4) the utilization of parapolice personnel could assist in the more efficient administration of law enforcement operations and free more highly trained law enforcement officers for duties relating directly to the prevention and detection of felonious crime.

(b) It is the purpose of the provisions of this Act to encourage States and units of general local government to prepare and adopt plans to utilize parapolice personnel for carrying out responsibilities not directly related to the prevention and control of felonious crime.

SEC. 2. (a) Title I of the Omnibus Crime Control and Safe Streets Act of 1968 is amended by inserting immediately after part E the following:

"PART F—GRANTS RELATING TO PARAPOLICE PERSONNEL

"SEC. 461. (a) It is the purpose of this part to encourage States and units of general local government to develop and implement programs and projects for the recruiting, training, and utilization of parapolice personnel who can assume certain law enforcement duties which are now performed by regular police officers and which are not directly related to the prevention and control of felonious crime.

"(b) Grants under this part shall be made directly to State government, units of general local government, and combinations of such units of general local government. No grant under this part shall be made directly to a State planning agency.

"SEC. 462. Any State government, unit of general local government, or combination of units of general local government desiring to receive a grant under this part for any fiscal year shall, consistent with the basic criteria established by the Administration under section 464 of this title, file an application for such grant within six months after the effective date of this part.

"SEC. 463. The Administration is authorized to make grants under this part to any applicant whose application for any such grant—

"(1) provides satisfactory assurances that the control of the funds and title to property derived therefrom, if any, shall be in a public agency for the uses and purposes provided in this part and that a public agency will administer those funds and that property;

"(2) provides satisfactory assurances that the availability of funds under this part will not reduce the amount of funds under part C of this title which would, in the absence of funds under this part, be allocated for the purposes of this part;

"(3) provides for advance techniques in the utilization of parapolice personnel;

"(4) provides satisfactory assurances that the personnel standards and programs will reflect advanced practices;

"(5) provides satisfactory assurances that the applicant will engage in projects and programs to improve the recruiting, organization, training, and education of parapolice personnel;

"(6) provides satisfactory assurances that the applicant will budget each grant so as to expend approximately equal amounts during each successive 12-month period throughout the life of the grant; and

"(7) complies with the same requirements established for comprehensive State plans under paragraphs (4), (5), (8), (10), (11), and (12) of section 303 of this title.

"SEC. 464. The Administration shall by regulation prescribe basic criteria for applicants and grantees under this part.

"SEC. 465. (a) Within twelve months after the effective date of this part (and thereafter as provided for in this part), for the purposes of carrying out this part the Administration shall award grants to qualified applicants in such amounts as the Administration determines to be appropriate, taking into account the available resources, the law enforcement needs, and the population of each such applicant.

"(b) The first grant to each grantee under this part shall be for the purpose of carrying out the provisions of this part during the 48-month period beginning on July 1, 1972. Any grant made from funds available under this subsection may be up to 80 percent of the cost of the program or project for which such grant is made.

"(c) For the purpose of continuing to carry out the purposes of this part during the 36-month period beginning on July 1, 1976, the Administration may award a second grant to any grantee who has received assistance under subsection (b) of this section. Any grant made from funds available under this subsection may be up to 65 percent of the cost of the program or project for which such grant is made.

"(4) For the purpose of continuing to carry out the purposes of this part during the 24-month period beginning on July 1, 1979, the Administration may award a third grant to any grantee who has received assistance under subsections (b) and (c) of this section. Any grant made from funds available under this subsection may be up to 50 percent of the cost of the program or project for which such grant is made.

"(e) Each grant awarded under this section shall be in such amount and be paid in such periodic installments as the Administration determines to be appropriate. The Administration may condition the payment of any grant or any portion of any grant upon a showing on the part of the grantee that it is complying with the terms of its application and such conditions as may have been set down by the Administration.

"(g) If the Administration determines, on the basis of information available to it, that a portion of the funds granted to an applicant will not be required by the applicant or will become available by virtue of the application of the provisions of section 509 of this title, that portion shall be available for reallocation under this section.

"Sec. 466. For the purpose of carrying out the provisions of this part, there is authorized to be appropriated $100,000,000 for the fiscal year ending June 30, 1973; $85,000,000 for the fiscal year ending June 30, 1977; and $70,000,000 for the fiscal year ending June 30, 1980. Funds appropriated for any fiscal year may remain available for obligation until expended."

(b) Section 520 of title I of such Act is amended by adding at the end thereof the following: "The authorization contained in this section shall not apply with respect to the carrying out of part F."

(c) Part F and Part G of title I of such Act are redesignated as part G and part H, respectively.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C.

DEAR CHIEF OF POLICE: I have been concerned for some time over the utilization of highly trained regular police personnel for purposes than the direct prevention and control of felonious crime. As you know, some police departments hire cadets, meter-maids and other lesser-trained and lower-salaried persons to perform duties not directly related to such crime (i.e., traffic violations; issuance of licenses and tags; handling of misdemeanor warrants; motor vehicle inspections; paperwork administrative functions, ambulance services, etc.). The use of such "parapolice" personnel would seem to free regular law enforcement officers for work more immediately related to crimes of violence against persons and property.

I am presently considering the introduction of legislation in Congress, which would provide federal grants-in-aid directly to local units of government and state governments, for the recruitment, training and utilization of parapolice personnel. In this regard, I would greatly appreciate your providing me with the following information:

(1) Please list the types of functions and responsibilities performed by your Department which do not relate directly to the prevention and control of felonious crime.

(2) a. What is the total number of persons employed by your Department and paid out of the police department budget?

b. How many of these employees and what percentage of the total police budget are available *routinely* (civil disorder duty would not be "routine"), for duties *directly* related to the prevention and control of felonious crime? (A mechanic in the police garage or a statistician would not be "directly" involved. A regular policeman who spends part of his day directing traffic or ticketing cars or who lectures at a local high school, but who is otherwise available to the crime-prevention effort, would be directly involved).

(3) a. For all those employees who are routinely available for duties directly related to the prevention and control of felonious crime, please state or approximate the average number of total man-hours spent on duty each week.

b. Of this number, please state or approximate the average number of total man-hours devoted to the performance of duties not directly and routinely related to the prevention and control of felonious crime (see first paragraph of this letter for a partial description of such duties).

(4) Does your department presently have a program which approximates the "parapolice" concept embodied in the legislation I am drafting, (i.e., meter maids, permanent "cadets" for traffic control, all administrative functions performed by non-police civilian employees etc.)? If so, please describe your program as to training and numbers of parapolice.

(5) Please describe briefly the type of training required for the regular policeman who is involved directly with the prevention and control of felonious crimes.

If there are any questions regarding this communication, please contact my Legislative Assistant, Peter S. Barash, (202) 225–2601. A response by September 3, 1971, would be greatly appreciated.

Sincerely,

——— ———.

POLICE DEPARTMENT,
New York, N.Y., September 7, 1971.

Hon. BENJAMIN S. ROSENTHAL,
Congress of the United States, House of Representatives, Rayburn Building, Washington, D.C.

DEAR CONGRESSMAN ROSENTHAL: This letter is in answer to your communication dated August 11, 1971 relative to the use of "parapolice personnel" to free regular police officers for work immediately related to crimes. In addition to answering the five questions posed by you, I have enclosed a copy of our Civilianization Program that appeared in our 1971–1972 Budget submission prepared by the Planning, Programming and Budgeting Section of our Planning Division. The underlined material is the information that you requested, followed by my answer.

(1) *Please list the types of functions and responsibilities performed by your Department which do not relate directly to the prevention and control of felonious crime.*

A study made by our department in the 20th Precinct in 1967–1968 disclosed that 85% of a patrolman's time was spent on preventive patrol while the remaining 15% is devoted to answering calls for services, 30% is associated with crime while 70% is non-criminal in nature. Of the criminal category, crimes against property consumed the most time while in the non-criminal category, aid to sick and injured consumed the most time.

The time spent by the police on preventive patrol can be considered in the category of prevention and control of felonious crimes. In the area of called for services which consumes the remaining 15% of the officers time, it is difficult to determine the exact amount of time that can be considered to be for the prevention and control of felonious crime. For example, a disorderly group may be one in which a number of people are, or about to commit some type of felonious crime, or the call may be one where a group of people are acting in a disorderly manner, but no felonious * * *

(2) a. *What is the total number of persons employed by your department and paid out of the police department budget?*

36,726—All paid out of the police budget.

b. *How many of these employees and what percentage of the total police budget, are available routinely for duties directly related to the prevention and control of felonious crime?*

30,200—Approximately 83%.

(3) a. *For all those employees who are routinely available for duties directly related to the prevention of crime, please state or approximate the average number of hours spent on duty each week.*

Sworn members of the department work 40 hours a week.

b. *Of this number, please state or approximate the average number of total manhours devoted to the performance of duties not directly and routinely related to the prevention and control of felonious crime?*

Here again, I refer you to the table on page 2 which shows 45 incidents with the average time in minutes for each incident.

(4) *Does your Department presently have a program which approximates the "parapolice" concept embodied in the legislation I am drafting, (i.e. meter maids, permanent "cadets" for traffic control, all administrative functions performed by non-police civilian employees etc.) If so, please describe your program as to training and numbers of parapolice.*

At the present time there are 315 meter maids assigned to the Department of Traffic. Our department has 388 police trainees who perform non-enforcement police tasks. The administrative functions performed by non-police civilian employees are described in the enclosed copy of our Civilianization Program.

(5) *Please describe briefly the type of training required for the regular policeman who is involved directly with the prevention and control of felonious crime.*

The current academic curriculum in the recruit training program is divided into seven divisions. I have enclosed an outline of five of these divisions. Almost all the training given to the recruit is either directly or indirectly related to the prevention of felonious crimes. In addition to this, the recruit is given 105 hours of college level courses.

Incident type	Number of incidents	Total time (in minutes)	Average time (in minutes)
1. Other	5,629	162,310	28.8
2. Unfounded	5,132	102,881	20.0
3. Sick	4,552	202,143	44.4
4. Dispute	3,582	106,016	29.6
5. Burglary	2,518	104,881	41.7
6. Disorderly groups	1,693	37,780	22.3
7. Intoxicated person	1,555	41,830	25.9
8. Other misdemeanors	1,190	106,034	89.1
9. Injured	1,170	46,063	41.1
10. Alarm of fire	1,013	30,483	30.0
11. Auto accident	547	32,943	60.2
12. Larceny from auto	514	17,579	34.2
13. Robbery	512	33,476	65.4
14. Malicious mischief	435	16,261	37.4
15. Dead on Arrival	402	60,216	149.8
16. Utility trouble	378	14,502	38.4
17. Felonious assault	309	26,982	87.3
18. Auto accident injury	286	25,334	88.6
19. Traffic violation	270	7,201	27.1
20. Accidental alarm	264	6,873	26.0
21. Grand larceny	235	11,598	49.4
22. Vehicle mechanical trouble	201	7,201	35.8
23. Grand larceny pocketbook snatch	130	6,366	48.9
24. Auto safety check	126	4,175	33.1
25. Prowler	121	3,549	29.3
26. Auto larceny	104	12,556	120.7
27. False alarm of fire	86	1,865	21.7
28. Arrest-serving summons	81	2,480	30.6
29. Dangerous condition	81	3,510	43.0
30. Motor vehicle recovered	73	7,211	98.8
31. Other felonies	64	9,559	149.4
32. Narcotics	59	13,582	230.2
33. Found person	46	2,802	60.9
34. Traffic warrants	40	713	17.8
35. Property recovered	35	1,848	52.8
36. Rape	29	1,622	55.9
37. Missing persons	24	1,096	45.7
38. Auto accident-serious injury or death	13	2,587	199.0
39. Attempt suicide	13	1,056	81.2
40. Weapons	9	1,298	144.2
41. Prostitution	7	1,090	155.7
42. Gambling	7	813	116.1
43. Homicide	6	1,744	290.6
44. Suicide	6	607	101.2
45. ABC violation	5	160	32.0

Please feel free to contact my office if you have any questions relative to the enclosed material.

Sincerely,

PATRICK V. MURPHY,
Police Commissioner.

SUPPLEMENTARY—PERSONAL SERVICES BUDGET 1971–72

CIVILIAN REPLACEMENT PROGRAM

The Department's Civilian Replacement Program, as structured by the Personnel and Staff Services Bureau from its inception on July 1, 1965 through October 30, 1970, has resulted in the employment by the Department of twelve hundred twelve (1212) civilian employees, other than Police Trainee and School Crossing Guard, a replacement basis.

Over the years, aside from the prime Civilian Replacement Program, other avenues for the replacement of uniformed members performing non-enforcement duties were explored and implemented by the Personnel and Staff Services Bureau. These included the use of a) Police Trainees both as replacements and assignments in lieu of the assignment of uniformed members; b) the Civilian Administrative Employee Up-grading Program; c) the Cut-Back and Job Elimination Program in May 1967; d) and the equated uniformed manpower saving effected by the School Crossing Guard Program.

The following is a recapitulation of the Department's efforts and achievements in the area of replacing uniformed members engaged in non-enforcement tasks with civilian employees under the above mentioned programs:

Civilian replacement program: From July 1965 to October 30, 1970	1212
Police trainee program: From December 1964 to October 1968:	
Number of patrolmen replaced	859
Number of police trainees assigned in lieu of the assignment of patrolmen	244
Total	1103

It will be noted that further replacement in this area was curtailed during the 1969–70 and 1970–71 fiscal period by mandatory budget freeze of these positions.

Civilian administrative employee upgrading program: Number of superior officers replaced to October 30, 1970	14
Cutback and job elimination program: Number of uniformed members who were returned to regular patrol in May 1967	656
School crossing guard program: Based upon 2113 School Crossing Guards employed on an average of four hours daily, for nine months of the year, equates to the actual replacement of 792 patrolmen who were relieved of this nonenforcement duty and returned to full enforcement patrol duty	792

In passing, it should be noted that in connection with the Civilian Replacement Program, between fiscal period of 1967–68 and the present fiscal period, the Personnel and Staff Services Bureau has been successful in obtaining the following Federally and State funded contracts to assist the Department in defraying required training costs.

Number of positions and program	Date of contract	Number of training weeks	Funding: Amount	Funding: Cumulative total
60—Fingerprint technician trainee	10/67	26	$49,313	$49,313
350—Police administrative aide	5/68	26	272,961	322,274
60—Fingerprint technician trainee	1/70	26	55,886	378,160
150—Police administrative aide	2/70	26	125,039	503,199
500—Police trainee	(1)	39	493,000	996,199

[1] Pending approval expected January 1971.

Once these funded programs are approved and found to be successful, recycling is more easily obtainable. This point is emphasized in connection with the 1971–72 Supplementary Personnel Services Budget request which includes six hundred (600) new positions for Police Administrative Aide and thirty (30) new positions for Fingerprint Technician Trainee under the Civilian Replacement Program.

During the 1969–70 and the present 1970–71 fiscal periods, the hiring under the Civilian Replacement Program has been greatly curtailed due to the following mandatory restrictions:

a) Fiscal period 1969–70—Emergency Budget Restriction of ten (10) million dollars.

b) Fiscal period 1970–71—Emergency Budget Restrictions eleven point one (11.1) million dollars.

c) Selective Vacancy Freeze effective October 1, 1970 which in effect provides for no filling of vacancies except for twenty five (25) percent dollar value, of job vacancies accruing each month.

PERSONNEL REQUESTS FOR THE CIVILIAN REPLACEMENT PROGRAM

Police administrative aides—600 positions

In the last two (2) fiscal periods the submitted requests in the Supplementary Personal Services Budget for the required personnel were not approved by the Bureau of the Budget.

With the advent of the computerized SPRINT System and the installation of the centralized Emergency Call Number 911, in the Communications Division, the demand for required personnel to man these operations has increased the complement of this Division from six hundred ninety eight (698) in March 1969 to eight hundred eighty five (885) in August 1970.

In the interim, to cope with the problems of manning, the Personnel and Staff Services Bureau had to supply a mix of uniformed members, Police Trainees, and Police Administrative Aides by reassignment from other units and commands, both administrative and patrol, thereby reducing the efficiency of these units and commands. The assignment of Police Trainees and Patrolmen was mandatory even though our experience has indicated that such personnel are not suitable for the work involved. The tenure of the Police Trainee is short in that as he nears his 21st birthday he must be withdrawn to take recruit training to qualify him as a Probationary Patrolman. This situation creates a recurring need for training personnel as replacements and turn-over which creates an unstable force as opposed to the career long-term type of employee which is required. Many of the patrolmen who have been assigned from field commands are not desirous of the assignment which has resulted in a morale problem.

Communications division assignments—400 positions

At present, among other uniformed and civilian personnel, there are four hundred two (402) patrolmen and two hundred fifty two (252) Police Trainees assigned to the various functions within the Communications Division and it is deemed necessary that Police Administrative Aides who perform duty on rotating tours, seven (7) days per week, as required by this division, be obtained to replace this personnel to the extent possible. To implement this replacement for reasons cited above, it is requested that four hundred (400) Police Administrative Aide positions be made available for the replacement of two hundred fifty two (252) Police Trainees and one hundred forty eight (148) patrolmen.

Field command assignments—159 positions

To expand the civilian replacement of uniformed members performing non-enforcement tasks in field commands which require the performance of duties on odd hour tours, seven days of the week, it is requested that one hundred fifty nine (159) Police Administrative Aide positions be made available. These Aides will replace thirty two (32) uniformed members in Patrol Divisions and one hundred twenty seven (127) patrolmen in Patrol Precincts.

Administrative unit assignment—41 positions

In the Information and the Lost Property Sections of the Central Records Division there are certain functions which required the performance of duty on rotating tours, on a seven (7) day basis; a total of forty one (41) positions are involved. These positions are currently manned by patrolmen and Police Trainees. The relative short term of the Police Trainee assignments, due to their attaining twenty one (21) years of age and Probationary Patrolmen status, creates a condition where these Sections must continually train newly assigned Police Trainees in their attempt to maintain efficient operation. To provide a stable civilian work force in these Sections and the replacement of uniformed members of the department, it is requested that forty one (41) Police Administrative Aide positions be made available.

Senior police administrative aide—40 positions

The department has requested the establishment of a supervisory position entitled "Senior Police Administrative Aide", as an initial promotional step for the present Police Administrative Aides. As structured, this title was approved by the City Personnel Department and the Office of the Mayor. Under the requirements for this title, six (6) months of satisfactory performance must precede filing for the examination and two (2) years of satisfactory performance is required prior to promotion. In that the first Aides were employed in the department in January, 1968, the first group of Aides has completed the time requirement for promotion as of January, 1970. In this regard, a civil service examination for this title has been requested on the impending Department of Personnel Calendar.

It is requested that forty (40) Senior Police Administrative Aide positions be established in the 1971–72 budget to provide the necessary civilian supervisory personnel for the Communications Division, where they will be initially assigned to replace a like number of sergeants who will be reassigned to primary full enforcement field patrol.

It should be noted that until an opportunity for a promotional step is provided for Police Administrative Aide personnel, this will remain in effect a dead end position which is contrary to agreement between the Labor Union and the City.

Motor vehicle operator (patrolwagon)—60 positions

At the direction of the then Police Commissioner, the Technical Services Bureau in 1968 conducted an in-depth study of the department's Patrolwagon Program. This survey disclosed the following information:

The actual annual work days performed by Motor Vehicle Operators assigned to patrolwagons after deduction of annual vacation and a mean of six of twelve allowable sick days:

Normal annual work days (tours)	250
Less twenty seven (27) annual vacation days	−27
Total	223
Less a mean of six (6) of the twelve (12) allowable annual sick days	−6
Tours performed per annum	217

The following computations indicate the annual man-days required to operate thirty-six (36) patrolwagons on a three (3) tour daily basis, and three (3) patrolwagons on a two (2) tour daily basis.

	Tours
36 P.W. × 3 tours daily × 365 days annually	39,420
3 P.W. × 2 tours daily × 365 days annually	2,190
Annual Tours Required	41,610

217 actual M.V.O. annual tours, divided into 41,610 annual tours required equal 191 Motor Vehicle Operators required to operate all patrolwagons annually.

142 present M.V.O. (PW) quota; less 11 M.V.O. (PW) medically disqualified to drive equals 131 active M.V.O. (PW).

191 M.V.O. (PW) required for full annual coverage, less 131 active M.V.O. (PW) in quota indicates that sixty (60) additional M.V.O. (PW) are required for full coverage.

It will be noted, that the authority for medically disqualifying Motor Vehicle Operators is dictated by the Mayor's Executive Order No. 31, dated October 10, 1966.

According to the above statistical data indicating the minimal Motor Vehicle Operator Coverage required to man all patrolwagons

on an annual basis, it must be noted that in the absence of these civilian operators, some sixty (60) uniformed members must be withdrawn from the effective patrol force annually to perform this required service.

Therefore, it is requested that funds be provided for the employment of sixty (60) Motor Vehicle Operator-Patrolwagon, in the 1971–72 budget under the Civilian Replacement Program.

Hostler—5 positions

To avoid and correct the present hazardous practice of assigning Hostlers to work alone in stables tending large numbers of horses, it is requested that funds be provided for the employment of five (5) Hostlers under the Civilian Replacement Program. In the absence of the required civilian Hostlers members of the uniformed force are assigned for the safety of the present employees.

Fingerprint technician trainee—30 positions

As an innovation, this department in fiscal 1967–68 employed sixty (60) Fingerprint Technician Trainees (a new title), who were trained by Identification Section personnel under a Federally funded contract.

In continuance of this program, thirty (30) positions were approved in the 1968–69 budget, thus allowing for a total of ninety (90) positions in this title. Upon completion of their training these Trainees replaced a like number of Patrolmen and Detectives who were performing this fingerprint classification function.

To continue replacement of uniformed personnel in this important area, it is requested that thirty (30) additional Fingerprint Technician Trainee positions be established in the 1971–72 budget.

Other civilian titles—59 positions

Based upon evaluations from the current desk audit of the Department of Personnel, it is recommended that the remaining fifty-nine (59) requested positions itemized in Appendix I, be included under the Civilian Replacement Program in the 1971–72 budget.

It is therefore requested that the total of seven hundred ninety-six (796) positions listed heretofore be included in the 1971–72 budget to effect the replacement of members of the uniformed Force under the Civilian Replacement Program at a cost of $5,776,281.

A summary of the various titles, corresponding entrance salaries, specific commands of assignment and total annual costs are indicated in Appendix I. Placement by Budget Programs will be found in Appendix III.

SUPPLEMENTARY—PERSONAL SERVICES BUDGET REQUEST 1971–72

REQUEST FOR ADDITIONAL PERSONNEL

Additional civilian personnel

Over the past five years the Personnel and Staff Services Bureau has received repeated requests from the various commands and units of the Department seeking additional personnel. Some of the factors which generate this need have been described heretofore. (See pages 112–113) all of which have evolved without a corresponding increase in staff. Cognizance *must* be taken of the Department's need for additional civilian personnel if its commands and units are to maintain efficient operations without drawing upon uniformed personnel to meet the demand.

In September, 1970, all commanding officers and unit heads were directed to submit proposals under Chief of Personnel Memo No. 58, specifically indicating both the number and title of additional civilian personnel required by their respective commands or units to effectively meet current or contemplated workload requirements, as above described. They were also requested to include pertinent data which would objectively and concisely substantiate the need for personnel requested.

All commands and units requesting additional personnel were canvassed and their reports compared with the personnel records of the Personnel Service and Records Division to insure that no requests were made where present civilian vacancies exist.

Job study and evaluation team—3 positions

Annually, the Personnel and Staff Services Bureau receives numerous requests for additional personnel based upon increased workload, new functions undertaken, and organizational changes within the Department, as above noted.

Such requests require in-depth analysis to verify the need for and validity of positions requested, the measure of efficiency of present employees, present work methods, the possible need for work and time-saving equipment, position classification and evaluation; and the establishment of improved work-flow charts.

To more effectively accomplish this analysis, the Personnel and Staff Services Bureau will require the following professional personnel:

One (1) Senior Methods Analyst.
One (1) Methods Analyst.
One (1) Personnel Examiner.

The establishment of this team should vastly facilitate future budget preparation and provide a more accurate evaluation of the personnel needs of the Department.

Vehicle repair and shop maintenance personnel—38 positions

The Motor Transport Division has the responsibility for the servicing, repair and maintenance of two thousand nine hundred and forty-one (2,941) vehicles of all types operated by the Department. Since August, 1966, there has been an unusually large increase in the Department's fleet, which has not been accompanied by an increase of personnel to properly maintain these vehicles.

Fleet expansion not accompanied by an increase of personnel consists of the following vehicles:

Number, type of vehicle, and remarks

20 Broncos—Delivered August, 1966.
42 Tow Trucks—Delivered March, 1967.
4 T.P.F. Couriers—Delivered May, 1967.
10 Sedans—Delivered July, 1967.
300 Scooters—Delivered July, 1967.
300 Scooters—Delivered May, 1968.
40 R.M.P. Cars—Delivered August, 1968.
36 R.M.P. Cars—Refurbished—Placed in service 1968.
31 Tow Trucks—Delivered September, 1969 (Without relinquishment of older vehicles).
3 Station Wagons—Delivered June, 1969.
1 Unmarked Sedan—Delivered June, 1969.
10 Various Type Trucks—Expected during 1969–70 Fiscal.

Total number of vehicles, 787.

Prior to August, 1966, the Department's fleet ran at a constant level of 100% effectiveness, that is, the assigned vehicle or a replacement vehicle was constantly in service. Since the above date, the effective level is at 92%. This effects the availability of Radio Motor Patrol Cars, scooters and motorcycles, as well as, the efficiency of auxiliary services which require motorized equipment.

There is presently a backlog of one hundred and fifty (150) "running repairs", that is, repairs to vehicles damaged in accidents which remain in service until time and personnel are available for their repair. To compensate in part for the needed personnel, seven (7) members of the uniformed force have been temporarily assigned and are engaged in full-time mechanical repair, thus depleting effective patrol strength. With the above mentioned expansion of the fleet, mileage has increased from forty-eight million five hundred seventy seven thousand three hundred sixty nine (48,577,369) miles in 1966 to fifty-four million one hundred eighty six thousand seven hundred tweny two (54,186,722) miles in 1969. This increased mileage results in increased collision and other repairs. In terms of collision repair there were one thousand one hundred and seventy two (1,172) accidents in 1966 compared to two thousand seventy one (2,071) in 1969; and accidents in the first six (6) months of 1970 total one thousand fifty nine (1,059).

The repair and maintenance problems are further complicated by an increase in acts of vandalism resulting in damage to Department vehicles. In 1968, there were one hundred and eighty one (181) such incidents which required repair of the concerned vehicles, and in 1969 there were two hundred six (206) such incidents.

The "down time" of vehicles due to reasons cited above has increased 10% over the period prior to the expansion of the fleet.

It is, therefore, requested that one (1) Foreman of Auto Mechanics, twenty (20) Auto Mechanics; four (4) Assistant Stockmen and four (4) Clerk positions be provided as additional personnel in the budget for adequate servicing of the above mentioned vehicles.

As previously mentioned, the new Central Repair Shop has been placed into operation. This enlarged facility requires additional personnel for the maintenance of the complicated machinery and equipment, as well as for normal maintenance and security. To maintain this new facility it is requested that four (4) Maintenance Men, three (3) Custodial Assistants and two (2) Laborer positions be provided for in this budget.

It will be noted that the only measure the Department could take to relieve this serious personnel shortage was by a modification of the 1968–69 budget to provide six (6) Auto Mechanic positions, thereby deleting six (6) other needed positions from the Civilian Replacement Program.

Electronic data processing personnel—27 positions

The dramatic increase in work load and the continual receipt of new requests by the Electronic Data Processing Division for the programming and retrieval of computerized data is cause for concern inasmuch as required increase in personnel has not kept pace with the output demands.

Indicated below is a table comparing current work load with that of the year 1963. These applications are only a *representative sample* of work load increases.

Document	1963	1968	1969
U.F. 61	495,878	2,654,385	2,710,102
U.F. 6b	98,000	137,430	139,093

In the year 1963, nineteen (19) Key Punch Operators were assigned to process the work load. In 1966, Key Punch personnel was increased to twenty-five (25) as a result of budget modification. The need for Key Punch Operators is creating a serious backlog of documents to be punched in the Computer Operations Section.

In addition, the efforts toward the expansion of the Electronic Data Processing capabilities currently under way in this Division will require even more extensive data conversion.

It should also be noted that the Key Punch machines are in operation on two (2) shifts daily and could be in operation on three (3) shifts with sufficient personnel.

It is therefore requested that ten (10) additional Alpha Key Punch Operators and ten (10) Senior Alpha Key Punch Operator positions be established to alleviate the abovementioned backlog, and seven (7) Clerk positions be established to allow for the accompanying increased clerical workload.

Microfilm project personnel—8 positions

Since the latter part of 1968, one (1) Civilian Photographer and seven (7) Police Trainees have been assigned in the initiation of the first phase of the Microfilm Project. This personnel currently performs on the 8:00 A.M. to 4:00 P.M. tour. Since no additional Police Trainees can be spared for this assignment and in an effort to reduce the time required to complete microfilming of these records thereby advancing the date when leased storage facilities may be vacated, which will coincide with the relocation of the Old Records Section into the new Police Headquarters Building now under construction it is requested that seven (7) additional Clerk positions, and one (1) Photographer position be provided for in the 1971–72 budget. This personnel will allow for the continuance of this microfilming process on the 4:00 P.M. to 12:00 Midnight tour.

CITY OF LOS ANGELES, CALIF.,
September 1, 1971.

Hon. BENJAMIN S. ROSENTHAL,
Rayburn Building,
Washington, D.C.:

I am pleased to hear of your concern about the misuse of highly trained police officers. The Los Angeles Police Department has recognized this problem, and over the past several years has been engaged in a program of "civilianizing" a number of police jobs. However, the Department has not been able to implement portions of this program due to the lack of funds. I believe that the passage of the legislation that you are considering will be of great benefit to all local law enforcement agencies and the communities which they serve.

I hope the following answers to your questions will be helpful.

(1) The following is a list of functions performed by the L.A.P.D. which are not directly related to the prevention and control of crime.

(a) Administrative Staff Research
(b) Personnel Selection and Training
(c) Public Information and Youth Services
(d) Support and Auxiliary Services
(1) clerical
(2) property custody
(3) supply operations
(4) transportation services
(5) booking and custody of arrestees
(6) information processing

(2) (a) The total authorized strength of police officers in our Department is 7155, with 6983 positions currently filled. For civilians, 2390 positions are authorized, with 2295 currently filled.

The 1971–72 L.A.P.D. Budget is $131,100,542, of which $102,495,861 (includes regular salaries, overtime, unused sick time and marksmanship bonuses) are for police salaries and $21,372,336 are for civilian salaries and overtime.

(b) The number of employees and percentage of budget directly related to prevention and control of felonious crime are as follows:

Function	Number of employees	Percent of budget
Crime repression and response	3,064	33.6
Investigation and detection of crime	1,701	22.1
Traffic regulation	793	9.0
Total	5,558	64.7

(3) (a) The average number of hours worked per week (including overtime) per police officer directly or routinely involved in the prevention or control of crime is 41.35.

(b) The average number of manhours devoted to the performance of duties not directly and routinely related to the prevention and control of felonious crime is as follows:

Function and hours per week not involved with crime prevention

Crime Repression and Response	0
Investigation and Detection of crime	0
Traffic Regulation	
Traffic Enforcement	20.7
Accident Investigation	27.3
Parking and Intersection Control	38.0

(4) On January 1, 1971, the Los Angeles Police Department implemented a new classification and salary structure that was devised by the Jacobs Company Incorporated of Chicago, Illinois, called the "Jacobs Plan". Under this plan, a total of 262 police jobs were earmarked for "civilianization" over the next three years. However, even before this plan, the L.A.P.D. has been in the process of "civilianizing" a great number of jobs previously held by police officers. Our civilianization program includes the following:

(a) *Administrative Staff Personnel*—There are presently 92 administrative civilian personnel working in staff, analytical, financial and planning functions. These people are required to have a four-year degree from an accredited college or university, receiving on-the-job training, and a two-week orientation training session at the Police Academy.

(b) *Jail and Property*—Presently 200 Station Officers (civilians) are working as booking officers in the divisional jails and as property officers in the Property Division. These personnel are required to have a high school diploma, or equivalent, and receive on-the-job training. In addition, Police Cadets are used in conjunction with these station officers in both functions. As funds are available, the program will be expanded to civilianize the entire jail and property functions except for a few police supervisors.

(c) *Parking Control and Traffic Direction*—There are presently 142 Parking Control Checkers and 81 civilian Traffic Control Officers in our Department. These employees receive a two-week course at the Police Academy which includes instruction on the operation of 3-wheeled motorcycles and parking and traffic laws.

(d) *Scientific Investigation*—Currently, 41 positions within the Scientific Investigation Division are civilians. These include Criminalists, Latent Fingerprint Experts and Photographers. The Criminalists are required to have a four-year college degree in chemistry, physics, or a related field. Latent Fingerprint Experts and Photographers must each have a high school diploma and prior full-time paid experience of two and three years respectively. All positions receive additional on-the-job training.

Plans are in the 1972–73 Budget to civilianize 47 of the remaining 58 police officers in this Division.

(5) Police Officer Recruits spend a total of 20 weeks in training before becoming a police officer.

The first 12 weeks are spent on classroom, physical, and firearms training. This includes comprehensive studies in law enforcement, criminal law, self-defense, physical conditioning, and the use of firearms and their safety.

The next four weeks are spent in various field duties. For two of these weeks, the recruit is assigned to a patrol division for on-the-job training. The remaining two weeks of this period are spent either assigned to a detective unit or security functions at the Police Academy.

The final four weeks (The Advance Phase) are again spent in intensive classroom training.

Our civilianization program has met with great success. It has not only increased the number of police officers on the street and the service to the community but has also increased the morale of the officer by taking him from behind a desk or other less police-oriented task and putting him in a position for which he was trained. I strongly encourage more programs of this type.

E. M. DAVIS,
Chief of Police.

DISTRICT OF COLUMBIA,
POLICE DEPARTMENT,
Washington, D.C., August 31, 1971.

Hon. BENJAMIN S. ROSENTHAL,
Congress of the United States, House of Representatives, Washington, D.C.

DEAR CONGRESSMAN ROSENTHAL: I was very gratified to receive your letter of August 11, 1971, which revealed some insight into legislation you are drafting to provide grants-in-aid for the recruitment, training, and utilization of parapolice personnel. In my judgment, it would appear that your proposal offers substantial benefits to many agencies and would augment existing programs in our effort to contain and reduce crime.

Following are answers to the inquiries contained in your letter:

(1) List types of functions and responsibilities performed by this Department which do not relate directly to the prevention and control of felonious crime.

a. Traffic control.
b. Issuance of parking traffic violation notices.
c. Clerical duties.
d. Radio dispatching.
e. Statistical analysis.
f. Management analysis.
g. Radio-electronic repair.

(2) a. What is the total number of persons employed by this Department and paid out by the Police Department Budget?

	Actual	Authorized
1. Police officers	4,994	5,100
2. Civilian personnel	741	787
3. Police cadets	215	300
4. School crossing guards	192	225
Total (as of July 31, 1971)	6,142	6,412

b. How many of these employees, and what percentage of the total police budget, are available routinely for duties directly related to the prevention and control of felonious crime?

Of the total number of uniformed (sworn) personnel, approximately 3,808 are available routinely for duties directly related to the prevention and control of felonious crime. That number does not take into consideration members on day off, annual leave, sick leave, suspended status, etc.

It is estimated that 61% of the funds allocated for the prevention and detection of crime is expended for personnel whose duties are directly related to the prevention and control of felonious crime.

(3) a. Approximate the average number of total manhours spent on duty each week for all those employees who are routinely available for duties directly related to the prevention and control of felonious crime.

Approximately 128,886 manhours.

b. Of this number, state or approximate the average number of total manhours devoted to the performance of duties not directly and routinely related to the prevention and control of felonious crime.

This inquiry cannot be answered with any degree of accuracy. We are unable to ascertain the accumulative time lost by members in performing duties which include preparation of reports and other documents, attendance at various schools, and participation in conferences and meetings, in addition to time spent on such assignments as traffic control and school crossings.

(4) Describe, as to training and numbers, Department programs which approximate the "parapolice" concept.

Cadet Program: The authorized strength of the cadet corps is presently set at 300 positions and, as of July 31, 1971, there were 215 cadets on board.

After a cadet is sworn in, he is assigned to one of the organizational elements of the Department, where his instruction consists of on-the-job training. The cadet can be utilized in any assignment within the police department which does not involve a need for exercising the power of arrest or pose a significant danger to the individual. Types of assignments which the cadet could receive involve such duties as school crossings and traffic details, station house clerical duties, assisting in traffic accident investigation, bicycle registration, dog beat surveys, field aide to criminal investigators, parking violation enforcement, radio dispatching, abandoned auto impoundment and police service for rush-hour cranes.

In addition to the above training, cadets are required to attend classes at either the Washington Technical Institute or the American University during the fall and winter terms as long as they remain in cadet status. These courses are on preparatory school or college level and further the development of the individual for a more effective role as a police officer.

School Crossing Guard Program: The authorized strength for crossing guards is 225 and as of July 31, 1971, there were 192 on board.

Training of crossing guards consists of instruction in the following subject areas:

1. Crossing Guard Manual of the Metropolitan Police Department.
2. Traffic Regulations of the District of Columbia.
3. Community Relations.
4. Recognition and activities of sexual deviates in the vicinity of schools (lecture by member of MPD Sex Section).

The training course for crossing guards covers a period of two weeks, the first week of which is confined to classroom instruction, and the second week is utilized in giving the guards on-the-street experience in directing traffic.

(5) Describe briefly the type of training required for the regular policeman who is involved directly with the prevention and control of felonious crime.

New recruits are required to satisfactorily complete an eighteen-week training course at the Department's new Police Academy and Training School which is equipped with an indoor swimming pool, pistol range, and gymnasium, in addition to the classrooms and administrative offices.

The recruit receives instruction in the subjects listed below:

1. Manual of the Metropolitan Police Department.
2. District of Columbia Code.
3. District of Columbia Traffic Regulations.
4. District of Columbia Police Regulations.
5. Rules of Evidence.
6. First Aid.
7. Driver training (scout car).
8. Physical fitness, including techniques of life saving (swimming) and self-defense tactics.
9. Community relations, including a course on the "Emerging Role of the Professional Police Officer in Contemporary Society."
10. Use of the service revolver.

In addition, the new officer is detailed for a period of time to one of the patrol districts where he receives on-the-job training and orientation for his eventual assignment as a graduate police officer.

The training outlined above is augmented by periodic in-service training schools and by one-hour each week training sessions.

I am hopeful that the foregoing information meets your needs and proves to be of value in the formulation of the legislation you are considering. If you find that you need additional information please let me know how I can be of assistance.

Thank you for your interest and support of law enforcement matters.

Sincerely yours,

JERRY V. WILSON,
Chief of Police.

METROPOLITAN POLICE DEPARTMENT,
St. Louis, Mo., August 20, 1971.

Hon. BENJAMIN S. ROSENTHAL,
Member of Congress,
Rayburn Building,
Washington, D.C.

DEAR SIR: In reply to your request for information regarding the possible utilization of "Parapolice" personnel, the following data is submitted for your intent and purposes.

1. The following list, although not all inclusive, illustrates functions and responsibilities performed by our Department which do not relate directly to the prevention and control of felonious crime:

a. Emergency ambulance runs for victims of accidents and crime related incidents.

b. Administration and control of towed vehicles (including derelict and abandoned autos).

c. General traffic control in the downtown business district.

d. Police service to state and local offices.

e. License application investigation for various business, (e.g., liquor establishments, bath house employees, etc.).

f. Security of prisoners at hospitals.

g. Sanitation complaints (e.g., rubbish, weeds, etc.).

2. a. We have 2,809 persons employed by our Department, all of whom are paid from the Department's budget. This total includes 577 civilian employees.

b. Our present commissioned strength of 2,227 police officers, are routinely available for duties directly related to the prevention and control of crime. (Copies entitled *"Present Commissioned Strength of Department-Authorized District Commissioned Positions"* are furnished for your study.) Approximately 57% of the total budget is used in salaries for these officers.

3. a. Our Department employees, both civilian and commissioned, are working a scheduled forty (40) hour week.

b. Statistics are not available at this time to enable us to answer this complex question. However, this Department realizing the need for efficient utilization of manpower, conducted an experiment under the office of Law Enforcement Grant #39, July 1966, and a copy of the final report entitled *"Allocation of Patrol Manpower Resources in the Saint Louis Police Department"* is enclosed for your reference. Since that time this program serves as our basic patrol plan. This report gives a comprehensive insight into the number and type of calls for service processed by this Department.

4. The following is a list of programs that have been implemented by our Department, which seem to approximate your "Parapolice" concept.

a. Police Cadet Program. At present we have fifty-three (53) cadets in the program.

b. Citizens Police Reserve Program. We have eighty-six (86) currently enrolled in this program.

c. Complaint Evaluation Program. Nineteen (19) officers are assigned to this unit. (Copy of Manual enclosed)

d. St. Louis Detoxification and Diagnostic Evaluation Center. Administrated and staffed by the Missouri Division of Mental Diseases.

e. Meter Maid Program. This program is administrated and staffed by the City of St. Louis Treasurer's Office.

Find enclosed literature describing the functions and training of each of the aforementioned Programs.

5. An enclosed copy entitled *"Greater St. Louis Police Academy—Basic Police Training Program"* describes the training required by our officers. Since the described programs, implemented by the Board of Police Commissioners of the City of St. Louis parallels your thinking in this matter, we would certainly endorse the concept that you propose to introduce as legislation in Congress.

I hope that this material will be beneficial to your study, and if I can be of any further assistance please do not hesitate to contact this Department.

Very truly yours,

ROBERT W. MATTESON,
Lieutenant Colonel,
Acting Chief of Police.

THE CITY OF SEATTLE,
DEPARTMENT OF POLICE,
Seattle, Wash., August 24, 1971.

Hon. BENJAMIN S. ROSENTHAL,
House of Representatives,
Washington, D.C.

DEAR MR. ROSENTHAL: The answers to your questions about the Seattle Police Department are as follows:

1. Functions and responsibilities performed by Seattle Police Officers which do not relate directly to the prevention and control of felonious crime within the community. *Security Unit*—aids business by suggesting anti-crime procedures, dance hall supervision, juvenile services—runaway cases, traffic safety education, traffic warrant service, accident investigation, parking enforcement, public information, human relations, program development, industrial relations, recovery and followup on found bicycles, gun licenses.

Functions and responsibilities performed by Seattle Police Officers within the Department: Internal investigations of complaints against police officers; administrative assistants to the Chief and Assistant Chiefs; Police Academy and in-service training; Inspections—(include staff inspections, procedure evaluations, safety inspections); recruiting, police examinations; research and development of new procedures and equipment; supervision of the city jail; police radio dispatchers; supervision of data processing; Crime Lab photographers, polygraph examiners and document examiner; supervision of Information Division; supervision of Information Division; supervision of Court Unit.

2a. Total number of persons employed by the Seattle Police Department and paid out of the budget:

1,528 (actual)
1,597 (authorized)
Source—1970 Statistical Report

b. 65.74% (approximate) of the total police budget was used in 1970 for the direct prevention and control of felonious crime. The total operating budget for 1970 was $18,260,405.

Source: 1970 Statistical Report and 1970 Budget Appropriations

3a. 917 employees are available routinely for duties directly related to the prevention and control of felonious crime:

537 Officers in Patrol Division
95 Officers in Special Patrol Operations
81 Officers in Traffic Division
214 Detectives

b. Patrol Division (537 men) expends 8,117 manhours (approximately) weekly on the prevention and control of felonious crime.

4. The Seattle Police Department does not have a parapolice program as such. However, Seattle does have a police cadet program. Cadets, age 18–21, wear special uniforms, are non-sworn, and are rotated throughout the Department performing various administrative paperwork jobs. When cadets reach age 21, they compete in the Police Officer Civil Service Exam. There are 31 Police Cadets at present.

Seattle has meter-maids who work for the

City Treasurer's office and who write overtime parking tickets. They may not impound cars and have no police power.

The Seattle Police Department has 278 civilian personnel working a wide range of job titles, such as accountant, clerk, criminalist, warehouseman.

The Seattle Police Department has two new programs that approach the parapolice concept. The College Summer Officer and the Community Service Officer. The College Summer Officers, twenty in number, are nonsworn personnel employed for twelve weeks and intended as full-time replacements for vacationing patrol officers. These college students were hired to ride as the second man in 2-man patrol cars.

The Community Service Officers are nonsworn personnel who wear blazers with a special patch. They are assigned to patrol a specific area of the city to look for hazards, check on sick persons, secure premises, etc. 45 Community Service Officers are programmed. As yet, none have been hired.

In addition, the Seattle Police Department has Custody Officers in the Jail, Dispatchers and emergency phone answerers in the Communications Division, all employed in nonsworn status.

To summarize, many tasks not related *directly* to the control of felonious crime are best performed by either sworn personnel (experienced), or, in some cases, by a 50–50 mix of sworn and civilian specialists. We have attempted to examine these supporting tasks on a function-by-function basis to determine the necessary qualifications and background.

5. Seattle Police Officers are required to attend the Police Academy for twenty-one weeks. Some college credit is given. The classes are organized as follows:

	Hours
(1) Administration	96
(2) Basic Skills	355
(3) Community Relations	112
(4) Law	59
(5) Outside Agencies	40
(6) Practical Application	178
Total	840

For a further breakdown of class subjects, see the enclosure on the Seattle Police Academy for Class #67.

Also enclosed are copies of the Seattle Police Department's 1970 Statistical Report and 1970 Annual Report.

Very truly yours,

GEORGE P. TIELSCH,
Chief of Police.

Captain C. R. CONNERY,
Research and Development Division.

THE HEALTH MAINTENANCE ORGANIZATION ACT OF 1971

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. ROY), is recognized for 20 minutes.

Mr. ROY. Mr. Speaker, today I join with seven of my distinguished colleagues from the Interstate and Foreign Commerce Subcommittee on Public Health and Environment, Mr. ROGERS, Mr. KYROS, Mr. PREYER of North Carolina, Mr. SYMINGTON, Mr. NELSEN, Mr. CARTER, and Mr. HASTINGS, in introducing the Health Maintenance Organization Act of 1971. This is a major proposal, as it will effect significant changes in our third-largest industry. It has important implications for every American. In such instance, it deserves close scrutiny and careful consideration—by our subcommittee to which it will be referred, by this entire House, by those associated with the health care industry, and by the American people.

My colleagues and I, of course, are eager for this scrutiny and consideration and plan to participate fully in it. For only with the active participation of everyone involved and affected, will the legislation, as it finally emerges, be of the high quality necessary to solve the complex problems to which it is addressed.

It is in anticipation of such consideration, then, that I make the following remarks, well aware that they serve not as a summary or conclusion but as a preface.

This Nation is today faced with problems of major proportions in its health care industry. This is the central theme of all that I will say this afternoon, and it must be the basic background for consideration of the Health Maintenance Organization Act. But for these urgent problems, we might act differently or not at all, we might deliberate more slowly or not at all, we might even choose to address different problems or different questions. But the problems are both major and urgent. To set the stage for an explanation of what an HMO is and what benefits are to be derived from the establishment of HMO's, I would like to begin by describing these problems.

Basically there are three problems which together define this crisis. The three elements are to an extent interrelated, but for the purposes of this analysis, I should like to discuss them separately. The three basic problems, then, are: First, the shortage and inappropriate nature of health care services; second, the escalating costs of health care services; and third, the variable quality of health care services.

THE SHORTAGE AND INAPPROPRIATE NATURE OF HEALTH CARE SERVICES

This problem focuses on the inability of American people to receive care where they need it, when they need it, and how they need it. This problem can best be discussed if subdivided into three distinguishable, subareas: First, availability; second, accessibility; and third, continuity.

(a) Availability. The problem of availability of health care is essentially one of manpower and facilities. In its simplest terms, it means that there are men, women and children for whom doctors and nurses, clinics and hospitals, simply do not exist. This problem is best described, given the present delivery system, in terms of doctor to population ratios. The national average physician to population ratio is 150 to 100,000. This is the number once cited by a Surgeon General as that necessary to protect the health of the people. But in many areas of our Nation, mostly in inner-city and rural areas, there are far fewer than 150 physicians per 100,000 people. In the Kenwood area of Chicago, for example, there are five physicians per 100,000 people. And in the South Bronx in New York City, in East Los Angeles, and in central St. Louis, the ratios are less than 50 to 100,000. In the rural areas similar situations prevail. In all of Kansas there are only 108 physicians per 100,000 population. In one five-county area, this decreases to less than 45 to 100,000. In Mississippi the figures are 88 to 100,000, with certain areas decreasing to less than 20 to 100,000. The facts are then quite clear—health care is simply not available to many Americans

(b) Accessibility. The problem of accessibility is one step beyond that of availability. Health care may be available, that is the doctors, nurses, clinics, and hospitals may exist, but they be so poorly located and managed that those that need the services are unable to receive them. Such factors as the lack of public transit systems, the threat to personal security, language barriers, and inconvenient hours of operation, all impinge on accessibility of health care. These factors may, in fact, make care that is theoretically available, in reality, in real human terms, unaccessible to those who need it most.

(c) Continuity. The problem of continuity of health care is yet one more step beyond that of accessibility. Care may be available and accessible, but over a period of time, discontinuous. This means that the single patient may not be treated as a single person with a continuing or variety of health problems, but may become in the eye of the provider, and even himself, not a single patient, but a mere multiplicity of health problems, each one unrelated to any previous or simultaneous other. The implications for this for the individual patient are enormous. The health care system may become a maze—a maze without meaning—one filled only with different people, institutions, and facilities, too often indifferent to the real personality, the real humanness of the patient.

The question must, then, be why. Why does our health care system have problems with availability, accessibility, and continuity? The answer must be one of responsibility—for no one, no group, no agency, no individual in our society today is responsible for assuring that health care is delivered to our people. No one is responsible for securing doctors for our rural and inner-city populations. No one is responsible for assuring that services—doctors, nurses, clinics and hospitals—are located, operated, and supported by other social services in such a manner that all of those that need health care can receive it. And too often no one is responsible for assuring that the individual patient is approached and managed as an individual person, with a history and a personality, not merely a discontinuous, unrelated number of physical problems.

THE ESCALATING COSTS OF HEALTH CARE SERVICES

Over the past two decades, the cost of health care has increased dramatically. Health spending today totals $67.2 billion, five times the spending of 20 years ago. As a percentage of gross national product, health costs have increased from 4.6 percent in 1950, to 7 percent of the GNP in 1970. This increased aggregate expense means, of course, increased expenses for the individual. In 1950, the average personal health bill was $79; in 1970, this had risen to $324. This growth represents an average increase of 7.3 percent per year. During this same period, the average increase in wage levels was

only 4.3 percent per year. The cost to the Federal Government for the provision of health care has also greatly increased during this period. The cost, for instance, of hospital insurance for medicare beneficiaries, for fiscal year 1971 increased from a 1965 estimate of $2.9 billion, to an actual $5.5 billion. The hospital insurance trust fund for medicare now has an estimated 25-year deficit of $242 billion. The cost of care to medicaid beneficiaries has increased from $1.3 billion in 1965 to $6.8 billion in 1972.

Rapidly increasing prices for health care must result from certain factors. Basically, two factors seem most responsible. The first, and most important, is the limited supply in the current health care system which has recently been confronted by expanding financing mechanisms. Indeed, of the total increase in health care costs, $47.5 billion, over 47 percent, is attributable to an increase in prices, with only 17 percent a result of population growth, and 36 percent due to increased use of health services and the introduction of new medical techniques. That is a result of the fact that when the dollars to purchase health care exceed the services available for purchase, the price of services may, as predicted by classic market theory, serve to some extent, to ratio the delivery of those services in favor of those with greater financial resources. This is a model inflationary situation, and in the future can be expected to continue, unless the supply is increased, or the financing of care is decreased. Since the demand for Federal financing—fueled by the recent inflation—will increase rather than decrease in the foreseeable future—the question of increased resources must prevail. This, then, leads to the second factor in the increased price of health care; that is, the uncontrolled, disorganized nature of the current health financing mechanism. The system is uncontrolled in that the major purchasers of health care—the third-party indemnity insurance plans and the Federal Government—have traditionally paid for services without exercising any cost review or control. They have simply been a pass-through mechanism, taking dollars from a first source, the consumer—providing them to a second source, the provider—with only minimal involvement on the part of the so-called third party. The system is unorganized in that there is no basis for the rational distribution or use of scarce and expensive manpower and facilities. In such instances, services and facilities are duplicated, are used inefficiently in that more expensive individuals and facilities are often used when less expensive ones would be sufficient, and the introduction of new management and cost saving techniques have been delayed.

The question must again be why. Why has the health care system witnessed an increase in a cost of care? Why does the health care system remain inflationary and inefficient? The answer must be incentives. There is not an individual, or group, or corporation, or governmental agency in our society that is responsible for controlling health care costs. Instead, the more services a provider's patient uses, the more it is paid. And those who pay, primarily third-party indemnity insurance, the more they pay, the more they charge their customers. Without incentives, the system remains inflationary and inefficient.

THE PROBLEM WITH QUALITY CARE

There can be no doubt that the quality of health care delivered in the United States today varies widely. It is incontestable that, at best, our medical care system provides the highest quality of care in the world. Most of our community physicians and hospitals provide care of high quality. But some physicians and facilities provide care of less than optimal quality. Peer review studies and medical audits have indicated serious deficiencies in quality of care in some instances and areas.

Again, the question is why. Why does the quality vary, why does the incidence of a variety of treatments vary? The answer must be that the care system in the United States is not structured to assure quality. Specifically, two elements are involved. The first is quality assessment. Quality assessment is a process through which medical care is measured. But in most areas of the United States there is no locus for the assessment of either health care process or outcomes. While peer review of process has been established in some areas, notably California, it is too often minimal or absent altogether. Review of outcomes of health care, that is the effect of the health care process on the health of the consumers, is virtually lacking altogether. As a result of the lack of quality assessment, both of process and outcomes, there is little knowledge of the quality of care provided on the part of either an individual or group of health providers.

This implies the second feature of quality assurance, quality achievement. That is, the process by which shortcomings measured in the quality assessment process are rectified by such means as continuing education, administrative, or manpower changes. It is evident that if assessment without achievement is futile, achievement without assessment is impossible. Therefore, the minimal to absence of quality assessment has major implications for quality achievement.

In sum, the health care provided to Americans is of varying quality. This variance in quality is due to the lack of commitment to quality assurance procedures.

Mr. Speaker, if these are the problems with the health care system, how does the Health Maintenance Organization Act propose to solve them? At this time I should like to discuss this legislation in terms of the three problem areas presented above.

THE SHORTAGE AND INAPPROPRIATE NATURE OF HEALTH CARE SERVICES

The problem of the shortage and inappropriate nature of health care is the single problem most explicitly addressed by an HMO. This is because an HMO is a health delivery system. That is, an HMO, in addition to accepting payment for health care, assumes responsibility for actually providing health care services to its members. This is the major difference between an HMO and traditional indemnity health insurance such as Blue Cross/Blue Shield and Aetna. Indemnity insurance pays for health care if it can be found; an HMO provides the services itself. Since it controls the delivery mechanism itself, an HMO, unlike indemnity insurance, is in a position to guarantee the availability, accessibility, and continuity of care.

An HMO deals explicitly with the problems of availability, accessibility, and continuity of care. Availability: since an HMO is a health delivery organization, it can assure the availability of care above all. That is, it can insure that adequate numbers of doctors and outpatient and inpatient facilities are available to provide care to its members. The management of an HMO must place primary importance on planning and insuring the availability of care, since without care, an HMO cannot operate. The availability of care is the sine qua non of an HMO. Accessibility: an HMO, because it has both a defined membership and control over provision of care, can be concerned with the problem of accessibility of care. The HMO can study utilization patterns, and survey its members to determine what deficiencies exist and what changes in services or conveniences are necessary to insure easy accessibility of the health care to all of its members. Continuity: the problem of continuity of care can be addressed by an HMO because of the defined interrelationships between providers and agencies in the HMO system. This means that active responsibility can be assumed for insuring that all the various parts which make up the rational health system focus on the patient, and treat each patient as human, not as a disease manifestation.

The legislation which has been introduced today deals with the problem of the shortage and inappropriate nature of health care by insuring that the HMO is both responsible and accountable for the availability, accessibility and continuity of care. A variety of legislative techniques are used.

An initial requirement is that an HMO deliver comprehensive services, including at a minimum physicians' services, including consultant and referral services; inpatient and outpatient hospital services; extended care facility services; home health services; diagnostic laboratory and diagnostic and therapeutic radiologic services; rehabilitation services, including physical therapy; preventive health services; emergency health services; out-of-area emergency health services; and such other personal health services as the Secretary may determine are necessary to insure the protection, maintenance, and support of human health. This requirement means that virtually all, not just some, health care services that a patient may need will be available and accessible.

The second requirement is that an HMO must be responsible for the delivery of care. An HMO must "demonstrate to the satisfaction of the Secretary, proof of ability to assure that comprehensive health care services are available and

accessible to all its members promptly and appropriately." This means that an HMO must, as a major condition of its formation and existence, be concerned about how, where, and when its members will receive care.

A third requirement is that an HMO must provide services as appropriate 24 hours a day, 7 days a week. While this does not mean that an HMO must provide all services at all hours, it does mean that an HMO must confront the problem of accessibility directly. It must provide services in a manner convenient to its members.

The legislation finally requires that care be provided "in a manner which assures continuity." Thus, the HMO is further required to be actively concerned that the care its members receive is continuous—this means the HMO, not the patient, is responsible for ordering for every patient the maze that various physicians, laboratories, and institutions represent to the patient. In many instances, this requirement of continuity of care will mean that a "managing or personal physician"—one responsible for ordering, following, and explaining the patient's progress through the various health delivery entities—will be chosen by each member.

The language of the bill thus requires that an HMO be responsible for making health services available and accessible to its members.

But, mandating responsibility is not adequate to assure that services will actually be available, accessible, and have continuity. For an HMO may find it inconvenient or difficult to provide care that is available, accessible and continuous, and Federal surveillance of these provisions may be less than perfect. For this reason, two provisions of the bill require that an HMO be accountable to its members.

The first provision states that the HMO must be "organized in accordance with the regulations of the Secretary in such a manner that assures its members a meaningful role in the making of policy for the health maintenance organization." This statement means that, without prescribing any single model, members are to be involved in the decisionmaking process of the HMO. This requirement is especially relevant to questions of availability, accessibility, and continuity, for while consumers may not have the background and sophistication to address problems of quality of care, which should and must, therefore, be left primarily to professionals, they can certainly consider and insist upon availability, accessibility, and continuity of care. These factors are, after all, problems that confront consumers, not providers.

The second manner in which the HMO is required to be accountable is that it must develop data on "the availability, accessibility, and acceptability of its services." Further, once this data is developed, it "shall be disclosed to its members and to the general public at least annually." Here the basic analysis is that information, especially information in the public sector, demands response. If the HMO knows, as a result of a membership survey or other data generating techniques, that it is not meeting members' expectations with respect to availability, accessibility, and continuity of care, and is further aware that consumers occupying the "meaningful role" in the decisionmaking process have this information, it may be anticipated that appropriate adjustments will be made.

In summary, then, an HMO described by this act must be both responsible and accountable for making comprehensive health services available, accessibly, and continuous.

THE ESCALATING COSTS OF HEALTH CARE SERVICES

In dealing with the problem of rapidly escalating costs, the HMO derives a basic advantage from its structure as a defined and limited financial system. That means that the HMO has a limited membership who pay predetermined sums of money to a specific provider group who are obligated to deliver a specified set of comprehensive health services. The defined nature of this system thus allows careful cost analysis of all income and expenditures of the HMO. This occurs because, first, the income for the HMO is fixed, more dollars cannot be generated after the members' premiums or "dues" are set; and second, the source of expenses are identified and controlled. Thus, fixed income provides an HMO with the incentive to limit its expenses, and identifiable and controllable outgo allow the HMO to analyze its operation and implement all possible economies and efficiencies. For these two reasons, then, HMO's have a solid record for economies of many kinds—managerial, integrational, scalar, motivational—and for implementing efficiencies in such areas as duplication of facilities, inappropriate use of highly trained and expensive physicians, and implementation of new cost-saving technologies.

The bill we have introduced today deals with the cost problem by requiring an HMO to "assume full financial risk on a prospective basis with provisions of the comprehensive health services, except for first, catastrophic health services, and second, out-of-area emergency services." This means that the HMO will be a closed financial system for over 90 percent of the services provided to its members. In this case, the HMO will be required to have control over its own financial arrangements, and will not be, as third-party insurance so often is, at the financial mercy of other individuals and institutions to determine its costs.

Two further legislative provisions are important. First, an HMO must keep accurate records of its costs and make full disclosure to the Secretary and its members at least annually. Again, as with the problem of availability, accessibility and continuity, this accountability should serve as an influence to keep the HMO functioning at optimal efficiency, since the disclosure of abnormal or excessive operating costs should prompt those members in meaningful roles to ask penetrating questions concerning the fiscal operation of the HMO.

Second, the HMO must be able to demonstrate financial responsibility through proof of adequate provision against the risk of insolvency. In many instances today, HMO's have been forced to demonstrate financial responsibility and capital reserves of the same extent and manner as indemnity-type insurance corporations. This is, of course, unfair and unnecessary. However, an HMO should be able to demonstrate in a manner appropriate to an operating organization that the members can be assured of continued operation and actual availability of services during the period of time covered by premiums.

A final comment is warranted with reference to the inflationary status of the health care industry today. While a single HMO may contribute only marginally to the alleviation of inflation in this industry, a national HMO strategy may well serve this purpose extremely well. This is because the more efficient use of health services by hundreds of HMO's would, in effect, increase the total health care resources of this country. If this country were then to have effective additional resources, additional financing might well be absorbed and result, as desired, in the additional appropriate delivery of services rather, than has been the sad experience to date, merely in the delivery of the same amounts of services at a higher cost.

THE PROBLEM WITH QUALITY OF CARE

The problem with quality of health care is a difficult one. In the current health care system, there are, short of malpractice suits, virtually no quality regulation or monitoring devices. With respect to an HMO, this void is not acceptable for two reasons. First, it is, no longer acceptable in the general medical community; it now appears likely that a nationwide quality monitoring system will be mandated with the establishment of professional standard review organizations as an aspect of title XVIII reimbursement. Second, an HMO, with its fixed budget, has an incentive for underutilization of services. That is, since the number of dollars in the system are fixed, the provider group stands in a position to receive bonus dollars at the end of the year if services are not rendered. In most instances it is anticipated that the services not rendered are of an unnecessary nature. However, this tendency may be projected along a continum to underutilization of so-called "necessary" services. This tendency, therefore, must be checked by organizational arrangements to assure that all appropriate necessary care is in fact delivered to its members.

As previously discussed, there are two ways to assure quality of care. These are quality assessment and quality achievement. Further, there are two ways to assess quality of care. The first is to monitor outcomes and the second is to monitor process. The current state of the art in outcomes review is such that it is only minimally possible to measure outcomes, that is, the real effect of the health service system on the health of its members. In this case, outcomes monitoring, while desirable, is impossible to mandate. Process monitoring, then, becomes the most reliable quality standard that we have; that is, the evaluation by

physicians of the activities, treatments, and diagnoses made by their colleagues. The HMO is in a position to actively and constantly assess the quality of care provided. This occurs because the HMO is a closed system. It can thus define and study the health of its members and has available and can review the records of treatment received by its members. It can thus do both process and outcomes monitoring of a high standard.

An HMO is also in a position to achieve quality of care, for it has a defined, control provider group. It can therefore identify deficiencies in care, modalities, and implement improvements. Again, the defined nature of an HMO is important.

The legislation introduced today deals with the problem of quality assurance in three ways. First, it requires an HMO to have organizational arrangements for an ongoing quality assurance program which stresses health services process and outcomes. The importance of the phrase "organizational arrangements" is that an HMO must have a locus of concern about quality. That is, it must have a person or group, an office or committee, whose concern it is to watch the remainder of the organization and insure that all care provided is of high quality. It is anticipated that this arrangement will, at the current time, deal mostly with process review, by so-called peer review. But these "organizational arrangements" are to be flexible and at such time as more sophisticated outcomes monitoring techniques are perfected, it is anticipated that those responsible for quality assurance in an HMO will advocate that the HMO develop newer, more sophisticated outcome techniques.

The second manner in which the legislation deals with quality is with respect to quality achievement. For the definition of a group requires an HMO to arrange for and encourage the continuing education of its members in the field of clinical medicine and related areas. Thus deficiencies detected in quality assessment can be remedied through education. This is quality achievement.

The third way in which this legislation assures that an HMO will provide high quality of care is contained in the disclosure provisions. For although members' input is appropriately minimal in this area, the HMO will, in fact, be required to develop and publish information about patterns of utilization and the effects of its services on the health of its members. Again, one anticipates that if the data so generated in any HMO are excessively negatively deviant from those gathered by other HMO's, the members in "meaningful roles" in the decision-making process, will ask appropriate questions.

In sum, then, an HMO will provide quality of care because it is an organized closed system with organizational arrangements concerned with assessment of and achievement of quality of care.

In conclusion, let me say that my colleagues and I realize that this legislation which we have introduced today is not a panacea for all the problems which beset our health system today, for that system is intricate, and its problems are complex. The resolution of the health crisis will require major improvement in many areas: First, manpower; second, facilities; third, biomedical knowledge; fourth, financing; and fifth, organization.

Let me say, however, that this proposal is important, and may, in fact, even be the sine qua non of the resolution of the health crisis. For without a reorganization of our health care delivery system, manpower will continue to be maldistributed and inappropriately employed, facilities will remain poorly located and inefficiently managed, knowledge will fail to affect those who need it most, and additional financing will be inflationary.

Mr. Speaker, the bill and a section-by section analysis follows:

H.R. 11728

A bill to amend the Public Health Service Act to provide assistance and encouragement for the establishment and expansion of health maintenance organizations, 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 "Health Maintenance Organization Act of 1971".

SEC. 2. (a) The Congress finds that—

(1) there is a serious insufficiency and maldistribution of health care resources which has resulted in limited access to health care in rural areas and certain residential areas within cities;

(2) the present health care system is not organized in a manner which encourages the efficient and economical provision of health care;

(3) the present health care system is oriented toward providing care to those manifesting disease, rather than toward providing preventive services and maintaining good health;

(4) the establishment of health maintenance organizations will aid in alleviating the maldistribution of health care resources, in providing health care in an efficient and economical manner, and in reorienting the health system toward preventive services; and

(5) there is a need to provide technical assistance and resources to individuals and groups, including health professions schools, undertaking the planning, development, and initial operation of health maintenance organizations.

(b) The purpose of this Act is to assist in improving the system for the delivery of health care through encouragement of and support for the planning, development, and initial operation of health maintenance organizations, particularly with the intent of improving the health of populations in medically underserved areas.

SEC. 3. The Public Health Service Act is amended by inserting after title X the following new title:

"TITLE XI—HEALTH MAINTENANCE ORGANIZATIONS

"DEFINITIONS

"SEC. 1101. For purposes of this title:

"(1) The term 'health maintenance organization' means a public or nonprofit private entity which—

"(A) provides, as a minimum for all its members, comprehensive health services, directly or indirectly, through a medical group or groups and other health delivery entities, for a payment which (i) is to be paid on a periodic basis without regard to the dates health services (within the comprehensive health services) are provided; (ii) is fixed without regard to the extent or kind of health service (within the comprehensive health services) actually furnished; (iii) is uniform for all its members, except for persons entitled to benefits under titles XVIII and XIX of the Social Security Act, and such other variations as the Secretary may by regulation authorize; and (iv) may be supplemented by such additional nominal payments which may be required for the provision of specific services (within the comprehensive health services) and which are to be fixed in accordance with the regulations of the Secretary;

"(B) may provide services in addition to the comprehensive health services for payments fixed in accordance with regulations of the Secretary;

"(C) demonstrates to the satisfaction of the Secretary proof of ability to assure that comprehensive health services are available and accessible to all its members promptly and appropriately, and in a manner which assures continuity;

"(D) demonstrates to the satisfaction of of the Secretary financial responsibility through proof of adequate provision against the risk of insolvency;

"(E) is organized in such a manner (as prescribed by regulations of the Secretary) that assures its members a meaningful role in the making of policy for the health maintenance organization, and provides meaningful procedures for hearing and resolving grievances (i) between its members and the health maintenance organization (including the medical group or groups and other health delivery entities providing health services) and (ii) between the medical group or groups providing health services and other employees and the health maintenance organization;

"(F) encourages and actively provides for its members (i) health education services, and (ii) education in the appropriate use of health services;

"(G) has organizational arrangements, established in accordance with regulations of the Secretary, for an ongoing quality assurance program which stresses both health services processes and outcomes; and assures that health services provided meet quality standards established in accordance with regulations of the Secretary;

"(H) provides in accordance with regulations of the Secretary an effective procedure for developing, compiling, evaluating, and reporting to the Secretary, data (which the Secretary shall publish and disseminate on a periodic basis) relating to (i) the cost of its operations, (ii) the patterns of utilization of its services, (iii) the availability, accessibility, and acceptability of its services, (iv) the effects of its services on the health of its members, and (v) such other matters as the Secretary may require, and discloses, at least annually and in a manner acceptable to the Secretary, such data to its members and to the general public;

"(I) assumes full financial risk on a prospective basis for the provision of the comprehensive health services, except for (i) catastrophic health services, and (ii) out-of-area emergency services;

"(J) has an open enrollment period (of not less than thirty days) at least every year during which it accepts, up to the limits of its capacity and without restrictions, except as may be authorized by regulations of the Secretary, individuals in the order in which they apply for enrollment (unless to do so would result in failure to meet any requirement pertaining to the number of characteristics of its enrollees imposed under the Social Security Act as a condition of eligibility for payments under title XVIII of such Act);

"(K) provides, in accordance with regulations of the Secretary, health care services to its members twenty-four hours a day, seven days a week, as may be appropriate;

"(L) to the extent practicable, and in accordance with regulations which the Secretary shall prescribe, provides emergency

health services to individuals residing within the area served by the entity; and

"(M) meets such other criteria for its organization and operations as the Secretary may by regulation prescribe.

"(2) The term 'comprehensive health services' means (A) physician services (including consultant and referral services); (B) inpatient and outpatient hospital services; (C) extended care facility services; (D) home health services; (E) diagnostic laboratory and diagnostic and therapeutic radiologic services; (F) rehabilitation services (including physical therapy); (G) preventive health services; (H) emergency health services; (I) out-of-area emergency health services; and (J) such other personal health services as the Secretary may determine are necessary to insure the protection, maintenance, and support of human health.

"(3) The term 'medical group' means a partnership or other association or group of persons who are licensed to practice medicine, osteopathy, or dentistry in a State and who (except for exceptions that the Secretary may allow in the initial three years of operation) (A) as their principal professional activity and as a group responsibility, engage in the coordinated practice of their profession; (B) pool their income from practice as members of the group and distribute it among themselves according to a prearranged plan, or enter into an employment arrangement with a health maintenance organization for the provision of their services; (C) share medical and other records, and substantial portions of major equipment and professional, technical, and administrative staff; (D) utilize within the group such additional professional, allied health professional, and other health personnel (as specified in the regulations of the Secretary) as are needed to provide comprehensive health services; and (E) arrange for and encourage the continuing education of their members in the field of clinical medicine and related areas.

"(4) The term 'member' when used in connection with a health maintenance organization means an individual who has entered into a contractual arrangement, or on whose behalf a contractual arrangement has been entered into, with the organization under which the organiziation assumes the responsibility for the provision of comprehensive health services and additional health services to such individual, as defined by the regulations of the Secretary.

"(5) The term 'medically underserved area' means an urban or rural area or population group designated by the Secretary as an area or population group with a shortage of personal health services. Such a designation may be made by the Secretary only after consideration of the comments (if any) of (A) each State comprehensive health planning agency designated pursuant to section 314(a) of this Act, covering (in whole or in part) such area, and (B) each area-wide comprehensive health planning agency designated pursuant to section 314(b) of this Act, covering (in whole or in part) such area.

"(6) The terms 'construction' and 'cost of construction' include (A) the construction of new buildings, and the acquisition, expansion, remodeling, replacement, and alteration of existing buildings, including architects' fees, but not including the cost of acquisition of land (except in the case of acquisition of an existing building), and (B) equipping new buildings and existing buildings, whether or not acquired, expanded, remodeled, or altered with assistance under this title.

"(7) The term 'catastrophic health services' means those comprehensive health services delivered to a member within any twelve month period after that member has previously received, during the same twelve month period, comprehensive health services valued at $5,000.

"GRANTS FOR PLANNING AND FEASIBILITY STUDIES

"SEC. 1102. (a) The Secretary may make grants, subject to the general provisions of this title, to public or private nonprofit entities, to assist in projects for planning or studying the feasibility of developing or expanding health maintenance organizations. No project may receive more than $250,000 in grants under this section. Funds awarded under such grants shall be available for expenditure by the grantee for such period (not to exceed one year from the date of award) designated by the Secretary. In exceptional circumstances, the Secretary may, with the concurrence of the National Advisory Council on Health Maintenance Organizations, award a second grant under this section for one project.

"(b) The Secretary, in making grants under this section, shall give priority to those entities which demonstrate that assistance and consultation in the planning or feasibility study will be provided by individuals and organizations with previous experience and expertise in the health maintenance organization field.

"(c) In making grants under this section, the Secretary shall insure that the grantees shall, in the aggregate, be reasonably expected to enroll at least 40 per centum of their total anticipated members from medically underserved areas, irrespective of the number of members from a medically underserved area anticipated by any single entity.

"(d) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

"GRANTS FOR INITIAL DEVELOPMENT COSTS

"SEC. 1103. (a) The Secretary may make grants, subject to the general provisions of this title, to any public or private nonprofit entity to assist it in meeting the costs involved in a project for the initial development or expansion (prior to its first day of operation) of a health maintenance organization. No project may receive more than $1,000,000 in grants under this section. In exceptional circumstances, however, the Secretary may, with the concurrence of the National Advisory Council on Health Maintenance Organizations, award a second grant under this section for one project.

"(b) In making grants under this section, the Secretary shall insure that the grantees shall, in the aggregate, be reasonably expected to enroll at least 40 per centum of their total anticipated members from medically underserved areas, irrespective of the number of members from a medically underserved area anticipated by any single entity.

"(c) Sums awarded under such grant shall be available for expenditure by the grantee for not more than two years, and shall be utilized for such purposes as may be prescribed in regulations of the Secretary, including (but not limited to) (1) implementation of an enrollment campaign; (2) detailed design of and arrangements for the health services to be provided; (3) development of administrative and internal organizational arrangements, including fiscal control and fund accounting procedures and the development of a capital financing program; (4) recruitment of personnel and the conduct of personnel training activities; and (5) payment of architects' and engineers' fees.

"(d) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

"CONSTRUCTION GRANTS

"SEC. 1104. (a) The Secretary may make grants, subject to the general provisions of this title, to assist any health maintenance organization, or entity intending to become a health maintenance organization, in meeting the cost of construction of facilities for ambulatory services, or portions of facilities for ambulatory services, to be used by it for the provision of health services to its members who reside in medically underserved areas. The Secretary shall give special consideration to applications for grants for the acquisition or renovation of existing facilities. No grant under this section for any project may exceed 75 per centum of the cost of construction (as determined by the Secretary) of such project. No project may receive more than $2,500,000 in grants under this section. In exceptional circumstances, however, the Secretary may, with the concurrence of the National Advisory Council on Health Maintenance Organizations, award a second grant under this section for one project.

"(b) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

"GRANTS FOR INITIAL COSTS OF OPERATION

"SEC. 1105. (a) The Secretary may make grants, subject to the general provisions of this title, to health maintenance organizations to assist them in meeting, for the period prescribed in subsection, (b), a portion of that portion of its initial operating costs (determined under regulations of the Secretary) incurred as a result of its operation in, or expansion into, a medically underserved area.

"(b) Grants under this section for initial costs of operation in a medically underserved area may be made only for the period beginning with the first day of the first month for which such grant is made and ending with the close of three years after such first day; and such grant with respect to any project may not exceed $750,000 or 60 per centum of such costs of operation, whichever is lesser, for the first year after such first day; $500,000 or 40 per centum of such costs, whichever is lesser, for the second year after such first day; and $250,000 or 20 per centum of such costs for the third year after such first day. In exceptional circumstances, however, the Secretary may, with the concurrence of the National Advisory Council on Health Mainteance Organizations, award additional grants to any project under this section, up to a total of $1,000,000 in any year, or a total of $2,500,000 for the three years.

"(c) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

"CONSTRUCTION LOANS

"SEC. 1106. (a) The Secretary may make loans, subject to the general provisions of this title, to any health maintenance organization, or any entity intending to become a health maintenance organization, to assist it in meeting the cost of construction of facilities for ambulatory services for the provision of health services to its members. The Secretary shall give special consideration to applications for loans for the acquisition or renovation of existing facilities. No loan under this section for any project may exceed 90 per centum of the cost of construction (as determined by the Secretary) of such project. No project may receive more, when added to the funds received by it under section 1104, than $2,500,000 in loans under this section. In exceptional circumstances, however, the Secretary may, with the concurrence of the National Advisory Council on Health Maintenance Organizations, award a second loan under this section for one project.

"(b) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section. Sums so appropriated, together with repayments of loans made under this section and any other receipts in connection with the program under this section, shall be placed in and constitute a revolving fund which shall

be available to the Secretary for use in making loans and other expenditures in the exercise of his functions under this section.

"LOANS FOR INITIAL COSTS OF OPERATION

"SEC. 1107. (a) The Secretary may make loans, subject to the general provisions of this title, to any health maintenance organization to assist it in meeting, for the period prescribed in subsection (b), a portion of its initial operating costs, determined under regulations of the Secretary.

"(b) Loans under this section for initial costs of operation may be made only for the period beginning with the first day of the first month for which such a loan is made and ending with the close of three years after such first day; and such loans with respect to any project may not exceed, when added to grants provided under section 1105, $750,000 or 60 per centum of such costs of operation, whichever is lesser, for the first year after such first day; $500,000 or 40 per centum, whichever is lesser, when added to grants made under section 1105, for the second year after such first day; and $250,000 or 20 per centum, whichever is lesser, when added to grants made under section 1105, of such costs for the third year after such first day. In exceptional circumstances, however, the Secretary may, with the concurrence of the National Advisory Council on Health Maintenance Organizations, award additional loans to any project under this section up to a total, when added to the grants under section 1105, of $1,000,000 in any year, or a total when added to the grants under section 1105 of $2,500,000 for the three years.

"(c) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section. Sums so appropriated, together with repayments of loans made under this section and any other receipts in connection with the program under this section, shall be placed in and constitute a revolving fund which shall be available to the Secretary for use in making loans and other expenditures in the exercise of his functions under this section.

"GENERAL PROVISIONS FOR LOANS

"SEC. 1108. (a) Any loan by the Secretary shall bear interest at a rate comparable to the current rate of interest prevailing with respect to loans which are guaranteed under section 1109. No payment of principal on a loan shall be required for the first two years after such loan is made.

"(b) No such loan may be made unless—

"(1) the Secretary is reasonably satisfied that the applicant therefor will be able to make payments of principal and interest thereon when due, and

"(2) the applicant provide the Secretary with reasonable assurances that there will be available to it such additional funds as may be necessary to complete the project with respect to which such loan is requested.

"(c) Any such loan shall have such security, have such maturity date, be repayable in such installments, and be subject to such other terms and conditions (including provisions for recovery in case of default) as the Secretary determines to be necessary to carry out the purposes of this title while adequately protecting the financial interests of the United States.

"(d) No such loan shall have a term in excess of fifteen years.

"(e) The Secretary may, for good cause, waive any right of recovery which he has by reason of the failure of a public organization to make payment and interest on a loan under this section.

"LOAN GUARANTEES AND INTEREST SUBSIDIES

"SEC. 1109. (a) In order to assist private nonprofit health maintenance organizations, or private nonprofit entities intending to become health maintenance organizations, to carry out construction projects for facilities for ambulatory services to be used by it for the provision of health services to its members or to meet their initial development costs (for not more than two years) or to meet their initial costs of operation (for not more than three years), the Secretary, during the period beginning January 1, 1972, and ending with the close of June 30, 1974, may, in accordance with the provisions of this section, and subject to the general provisions of this Act, (1) guarantee to non-Federal lenders making loans to such organizations for such purposes, payment of principal of and interest on such loans which are approved under this section, and (2) pay to the holder of such loans (and for and on behalf of the organization which received such loan) amounts sufficient to reduce, but not to exceed, 3 per centum per annum the net effective interest rate otherwise payable on such loan. No loan guarantee or interest subsidy under this section may, except under such special circumstances and under such conditions as are prescribed by regulations, apply to or be made for an amount which, when added to any grant or other loan under this or any other law of the United States, is—

"(1) with respect to any construction, in excess of 90 per centum of the cost of such construction,

"(2) with respect to initial development costs, in excess of 90 per centum of such costs, or

"(3) with respect to initial operating costs, in excess of 90 per centum of such costs.

No such loan guarantee may apply to more than 90 per centum of the loss of principal and interest on the loan.

"(b) The Secretary may not approve the application of a health maintenance organization unless—

"(1) he determines, in the case of a loan for which a guarantee or an interest subsidy payment is sought, that the terms, conditions, maturity, security (if any), and schedule and amounts of repayments with respect to the loan are sufficient to protect the financial interests of the United States and are otherwise reasonable and in accord with regulations, including a determination that the rate of interest does not exceed such per centum per annum on the principal obligation outstanding as the Secretary determines to be reasonable, taking into account the range of interest rates prevailing in the private market for similar loans and the risks assumed by the United States;

"(2) the term of a loan for which a guarantee and interest subsidy is sought does not exceed twenty-five years if for construction, or fifteen years if for operating costs, or such shorter period as the Secretary prescribes: and

"(3) he obtains assurances that the applicant will keep such records, and afford such access thereto, and make such reports, in such form and containing such information, as the Secretary may reasonably require.

"(c) Guarantees of loans and interest subsidy payments under this section shall be subject to such further terms and conditions as the Secretary determines to be necessary to assure that the purposes of this section will be achieved, and, to the extent permitted by subsection (e), any of such terms and conditions may be modified by the Secretary to the extent he determines it to be consistent with the financial interests of the United States.

"(d) In the case of any loan guaranteed under this section, the United States shall be entitled to recover from the applicant the amount of any payments made pursuant to such guarantee unless the Secretary, for good cause, waives his right of recovery, and, upon making any such payment, the United States shall be subrogated to all of the rights of the recipient of the payments with respect to which the guarantee was made.

"(e) Any guarantee of a loan under this section shall be incontestable in the hands of an applicant on whose behalf such guarantee is made, and as to any person who makes or contracts to make a loan to such applicant in reliance thereon, except for fraud or misrepresentation on the part of such applicant or such other person.

"(f) The cumulative total of the principal of the loans outstanding at any time with respect to which guarantees have been issued, or which have been directly made, under this section may not exceed such limitations as may be specified in appropriation Acts.

"(g)(1) There is established in the Treasury a health maintenance organization loan guarantee fund (hereafter in this section referred to as the 'fund') which shall be available to the Secretary without fiscal year the fund from time to time such amounts as may be required to time in appropriation Acts, (A) to enable him to discharge his responsibilities under guarantees issued by him under this section, and (B) to make interest subsidy payments on such loans. There are authorized to be appropriated to the fund from time to time such amounts as may be required for the fund. To the extent authorized from time to time in appropriation Acts there shall be deposited in the fund amounts received by the Secretary as interest payments or repayments of principal on loans and any other money, property, or assets derived by him from his operations under this section, including any moneys derived from the sale of assets.

"(2) If at any time the moneys in the fund are insufficient to enable the Secretary to discharge his responsibilities under this section to meet the obligations under guarantees of loans under subsection (a) or to make interest subsidy payments on such loans, he is authorized to issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions, as may be prescribed by the Secretary with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations issued hereunder and for that purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act and the purposes for which securities may be issued under that Act are extended to include any purchase of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States. Sums borrowed under this subsection shall be deposited in the fund and redemption of such notes and obligations shall be made by the Secretary from such fund.

"SPECIAL PROJECT GRANTS AND CONTRACTS

"SEC. 1110. (a) The Secretary may make grants to or contracts with health maintenance organizations to assist them in meeting the costs of special projects to—

"(1) develop, operate, and evaluate programs which (A) substantially involve present professionals in new roles and relationships, or (B) encourage new roles, types, or levels of health personnel;

"(2) develop and institute new and improved health information systems which

shall include (A) uniform systems for recording and retrieving diagnostic and therapeutic data, or (B) the transmitting of such data within and between such organizations for the purpose of effective and efficient patient care;

"(3) develop and institute new and improved systems for transporting patients receiving health care services;

"(4) effect significant improvements in programs of health education for the organization members;

"(5) develop and institute innovative programs to educate members with ongoing decisionmaking responsibilities in health maintenance organization management and operation;

"(6) develop, institute, operate, and evaluate programs to periodically screen and assess the level of health of persons obtaining health care from such organizations;

"(7) develop, institute, and evaluate innovative programs of initial medical screening of persons seeking health care; or

"(8) develop and institute methods to assure appropriate levels of care for the convalescent, chronically ill, and aged through predischarge planning, home care, and periodic member evaluations;

"(b) Any grant or contract in this section shall not exceed $1,000,000 in amount and four years in duration. Application for and administration of such grants and contracts shall be according to regulations prescribed by the Secretary. There are authorized to be appropriated such sums as may be necessary for the purposes of making grants and contracts under subsection (a).

"(c) The Secretary may make grants to or contracts with any public or nonprofit private entity to study, initiate, operate, and evaluate projects which deliver, especially in rural areas, comprehensive health services on a prepaid basis and which are not otherwise eligible for grants or assistance under this title. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this subsection.

"GRANTS FOR HEALTH MAINTENANCE ORGANIZATION MANAGEMENT TRAINING

"SEC. 1111. (a) The Secretary may make grants to public and nonprofit private educational entities with approved professional training programs in the management and administration of health maintenance organizations to assist them in meeting the costs of providing such training and of fellowships and traineeships. No such program of an educational entity may be approved unless the educational entity has a contractual arrangement with an operational health maintenance organization under which the organization will provide practical training to the fellows and trainees enrolled in such program. Not less than 75 per centum of any grant under this section to any entity shall be used by it for traineeships and fellowships.

"(b) Payments by recipients of grants under this section for (1) traineeships shall be limited to such amounts as the Secretary finds necessary to cover the cost of tuition and fees of, and stipends and allowances (including travel and subsistence expenses and dependency allowances) for, the trainees; and (2) fellowships shall be limited to such amounts as the Secretary finds necessary to cover the cost of advanced study by, and stipends and allowances (including travel and subsistence expenses and dependency allowances) for, the fellows.

"(c) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

"GRANTS FOR CLINICAL TRAINING PROVIDED BY HEALTH MAINTENANCE ORGANIZATIONS

"SEC. 1112. (a) The Secretary may make grants to health professions schools which provide clinical training in health maintenance organizations to students and postgraduate trainees and fellows in schools of medicine, osteopathy, nursing, and other health professions. Health professions schools receiving such grants must either (i) operate their own health maintenance organizations, or (ii) have contractual arrangements with operational health maintenance organizations for such clinical training. Priority in giving grants under this section shall go to health professions schools which operate their own health maintenance organizations.

"(b) Such grants may be used to cover the costs to the health professions schools and the health maintenance organizations of providing such clinical training, including (but not limited to) the reasonable costs of program administration, and faculty salaries for health professionals practicing in the health maintenance organizations.

"(c) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

"PROGRAM EVALUATION

"SEC. 1113. The Secretary shall evaluate (directly or by grant or contract) programs assisted under this title. Such evaluation shall be concerned with the operation of individual health maintenance organizations, with the operation of distinct categories of health maintenance organizations in comparison with each other, with health maintenance organizations as a group in comparison with other health delivery systems or organizations, and with the impact that these organizations, individually, by category, and as a group, have on the health of the public. The results of such evaluations shall be made available to the general public and to the Congress on at least an annual basis. To make such evaluations, there are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

"GENERAL PROVISIONS

"SEC. 1114. (a) No grant, contract, loan, loan guarantee or interest subsidy may be made under this title unless an application therefor has been submitted to and approved by the Secretary. Such application shall be in such form, submitted in such manner, and contain such information, consistent with subsection (b)(1), as the Secretary shall by regulation prescribe.

"(b)(1) An application for a grant, loan, loan guarantee or interest subsidy under section 1102, 1103, 1104, 1105, 1106, 1107, 1109 shall include in such manner and among such other matters as the Secretary may by regulation prescribe, satisfactory specification of the existing or anticipated (A) population group or groups to be served by the existing or proposed health maintenance organization described in the application, (B) enrollment for such organization, (C) methods, terms, and periods for the enrollment of members, (D) nature and estimated costs per member of the health care and educational services to be provided, (E) sources of professional services, and organizational arrangements for providing health care and educational services, (F) organizational arrangements for an ongoing quality assurance program, (g) sources of prepayment and other forms of payment for the services to be provided, (H) facilities available for and additional capital investments and sources of financing therefor, required to provide the level and scope of services proposed, (I) administrative, managerial, and financial arrangements and capabilities of such organization, (J) role for members in the planning and policymaking for such organization, (K) grievance procedures for members, staff, and employees, and (L) evaluation or evaluations of the support for and acceptance of such organization by the population to be served, the sources of operating support, and the professional groups to be involved or who would be affected thereby. An organization making multiple applications for assistance under this title simultaneously or over the course of time shall not be required to submit duplicate or redundant information but shall be required to update the description of the existing or proposed health maintenance organization in such manner and with such frequency as the Secretary may by regulation prescribe.

"(2) Upon completion of assistance under section 1102, 1103, 1104, 1105, 1106, 1107, or 1109, the recipient of assistance shall make a full and complete report to the Secretary, in such manner as he may by regulation prescribe. Each such report shall include, among such other matters as the Secretary may by regulation prescribe, descriptions of plans, developments, and operations in those areas enumerated in paragraph (1) for specification in applications for assistance.

"(c) A health maintenance organization receiving assistance under section 1103, 1104, 1105, 1106, 1107, or 1109, shall submit to the Secretary as a condition of its continued assistance, satisfactory assurances, in accordance with such regulations as the Secretary shall prescribe, of, among such other matters as the Secretary may by regulation prescribe, (1) financial responsibility, and (2) development and operation consistent with the terms of this title and the plans contained in such organization's application or applications for assistance.

"(d)(1) An application for a grant under section 1102 or 1103, or for a loan, loan guarantee, or interest subsidy under section 1106, 1107, or 1109, shall contain assurances satisfactory to the Secretary that the applicant will, in accordance with such criteria as the Secretary shall by regulation prescribe, (A) enroll persons who are representative of the various age, social, and income groups in the area to be served by the applicant, and (B) enroll the maximum number of persons that its available and potential resources (as determined under regulations of the Secretary) will enable it to effectively serve.

"(2) No grant may be made under section 1104 or 1105, and no loan, loan guarantee, or interest subsidy payment may be made under section 1106, 1107, or 1109, unless the applicant demonstrates to the satisfaction of the Secretary that (A) the persons enrolled or to be enrolled with the applicant are (as determined under regulations which the Secretary shall prescribe) representative of the various age, social, and income groups in the area served by the applicant, and (B) the applicant has enrolled, and will maintain an enrollment of, the maximum number of persons that its available and potential resources (as determined under regulations of the Secretary) will enable it to effectively serve.

"(e) No application for a grant, loan, loan guarantee, or interest subsidy under section 1102, 1103, 1104, 1105, 1106, 1107, or 1109 may be approved unless the applicant has provided an opportunity for review of and comment on its application to each State comprehensive health planning agency designated pursuant to section 314(a) of this Act, and to each area-wide comprehensive health planning agency designated pursuant to section 314(b) of this Act, covering (in whole or in part) the area or areas served or proposed to be served by the health maintenance organization for which application is submitted. The Secretary shall consider such reviews and comments in deciding whether or not to approve applications under section 1102, 1103, 1104, 1105, 1106, 1107, or 1109.

"(f) The Secretary shall have the authority to terminate or cancel any grant, loan, loan guarantee, or interest subsidy to any health maintenance organization in substantial non-compliance with any material provision of this title.

"NATIONAL ADVISORY COUNCIL ON HEALTH MAINTENANCE ORGANIZATIONS

"SEC. 1115. (a) There is established in the Public Health Service a National Advisory Council on Health Maintenance Organizations (hereafter in this section referred to as the 'Council') consisting of twelve members appointed by the Secretary (without regard to the provisions of title 5 of the United States Code relating to appointments in the competitive service) from persons who are not officers or employees of the United States Government, and who include representatives of health maintenance organization programs, the medical sciences, medical education, hospital or medical administration, the health insurance industry, labor and management, and public affairs. Three of the members shall be physicians engaged in medical practice and at least three shall be members of health maintenance organizations not themselves engaged in the provision of health services. The members of the Council shall select a chairman from among their own number.

"(b) Each appointed member of the Council shall hold office for a term of four years, except that (1) any member appointed to fill a vacancy prior to the expiration of the term for which his predecessor was appointed shall hold office for the remainder of such term, and (2) the terms of office of the members first taking office shall expire, as designated by the Secretary at the time of appointment, four at the end of the first year, four at the end of the second year, and four at the end of the third year, after the date of appointment. An appointed member shall not be eligible to serve continuously for more than two terms.

"(c) Appointed members of the Council, while attending meetings or conferences thereof, or otherwise serving on business of the Council, shall be entitled to receive compensation at rates fixed by the Secretary, but not exceeding for any day the daily equivalent of the effective rate for grade GS–18 of the General Schedule, including travel time and while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703(b) of title 5 of the United States Code for persons in the Government service employed intermittently.

"(d) The Council shall advise and assist the Secretary in the development of policy and preparation of regulations relating to programs under this title. The Council shall consider applications for grants, loans, loan guarantees, and interest subsidy payments under this title and shall make recommendations to the Secretary with respect to approval of applications for assistance under this title and to amounts of grants, loans, and loan guarantees under this title.

"RESTRICTIVE STATE LAWS

"SEC. 1116. If any organization meets the requirements of a health maintenance organization as defined herein, but cannot be incorporated or otherwise do business in a State in which it proposes to furnish services because the law of the State requires that a medical society approve the incorporation of such an organization, requires that physicians constitute all or a majority of its governing body, requires that all physicians or a percentage of physicians in the locale be permitted to participate in the services of the organization, requires that such organization submit to regulation as an insurer of health care services, requires that only unincorporated individuals or associations or partnerships may provide health care services, or makes any other requirement which the Secretary finds incompatible with the purposes of this title, the law of any such State shall not apply to the health maintenance organization and the Secretary may issue a certificate of incorporation to the organization and it shall thereupon become a body corporate. The powers of the corporation shall be limited to carrying out its function as a health maintenance organization, and the doing of things reasonably necessary or incident thereto. In the issuance of such a certificate, the Secretary shall provide among other things for the appropriate regulation of any such health maintenance organization to insure the efficient and economical provision of quality health care services, as conditions of issuance of any such certificate. If the Secretary issues any such certificates of incorporation, the Secretary shall by regulation provide other conditions and requirements generally imposed upon corporations under the laws of the States. Notwithstanding the existence of the law of a State to the contrary, nothing in this section shall be construed to prevent any such State from issuing a certificate of incorportaion or otherwise permitting a health maintenance organization to do business otherwise in compliance with this section in which case the Secretary shall not issue a certificate under the authority granted in this section."

SEC. 4. (a) Section 1 of the Public Health Service Act is amended by striking out "Titles I to X" and inserting in lieu thereof "Titles I to XI".

(b) The Act of July 1, 1944 (58 Stat. 682), as amended, is further amended by renumbering title XI (as in effect prior to the date of enactment of this Act) as title XII, and by renumbering sections 1101 through 1114 (as in effect prior to such date), and references thereto, as sections 1201 through 1214, respectively.

DETAILED SECTION-BY-SECTION ANALYSIS OF THE HEALTH MAINTENANCE ORGANIZATION ACT OF 1971 (H.R. 11728)

INTRODUCTION

The Health Maintenance Organization Act of 1971 is intended to encourage the formation of health maintenance organizations through grants and loans for their initial planning, development and operating costs, and through related measures. The sponsors of the Act hope to achieve several goals by encouraging the formation of HMOs, including:

1. Expansion of health care resources in existing medically underserved areas;
2. Control of rising health care costs;
3. Reorientation of our existing health care system from the treatment of disease to the maintenance of health; and
4. Initial reorganization of our present health care system in preparation for effective health care financing.

The support of HMOs, as a means for achieving these goals, is only one of multiple and related means that warrant support. Others have been considered by the House Subcommittee on Public Health and Environment, such as increasing health manpower, or may be considered in the future, such as the problems of health care delivery in rural areas.

One key characteristic of the HMO program deserves comment prior to a section by section analysis of the proposed legislation. In preparing HMO legislation, an attempt has been made not to describe exhaustively, or in detail, a single "proper" system for the delivery of health services. Rather, this legislation defines desirable qualities of any system for health care delivery and offers support to any organization (HMO) which included these qualities, however it is structured in detail. Thus the HMO program sponsored by this legislation would not be a single, monolithic, or Federally controlled health system, but a modification of our existing pluralistic system. The general characteristics which would make an organization an HMO regardless of its particular make-up include:

1. Open enrollment of a defined, heterogeneous population which receives its health services from the HMO;
2. Assumption by the HMO of the responsibilities and risks involved in caring for the enrolled population;
3. Prepayment by enrolled members for their health services;
4. Provision by the HMO of a standard package of benefits (comprehensive health services) to all members for a common prepayment;
5. Quality assurance programs for health services provided;
6. Provision of health education, health maintenance and preventive health services to all members;
7. Provision for meaningful grievance procedures and policy making roles for members; and
8. Evaluation of its performance in key areas.

The following detailed analysis of the legislation will enlarge on these and related themes and will show how organizations with these characteristics, if developed and operated effectively, will achieve the above stated goals.

Congressional Findings [Sec. 2a].

This section states some of the goals enumerated above. It is left implicit that the proposed changes in the health system will help prepare that system for the impact of effective health care financing, and made explicit that support for HMOs will help to achieve the stated goals. The Congressional findings include:

Sec. 2 a 1. A serious insufficiency and maldistribution of health care resources.

It is widely agreed that many of our citizens lack access to adequate health care because it simply is not available. There are hundreds of rural counties in this country that do not have doctors or other health services or adequate transportation to existing—often distant—services. Similarly, there are many urban areas, particularly poor and inner-city communities, without health services. The extent and effects of this maldistribution of our resources has been well documented on many occasions, including hearings before the Subcommittee on Public Health and Environment and other Committees of the Congress, and in standard works on the subject.

Sec. 2 a 2. Lack of organization for efficient and economical provision of health care.

Again, it is common knowledge that the costs of health care in this country are not only rising rapidly, but are also rising more rapidly than the costs of other goods and services, and have now risen beyond the means of many citizens. It has been well established for some years that this rise in costs is attributable not only to inflation and rising labor costs, but also to structural deficiencies in our system. For example, present fragmentation of health services and existing insurance mechanisms often force providers to care for patients in more sophisticated and more expensive facilities than is actually necessary. The providers of health care do share the financial risks of illness with their patients; they are paid for curing disease, not for preventing it and maintaining health. The system must be restructured to give providers financial incentives for keeping people well and doing so in an efficient and economical manner.

Sec. 2 a 3. An inappropriate orientation toward sickness and its treatment at the expense of health and its maintenance.

If health maintenance and preventive services were always economically rewarding, and the value of an ounce of prevention is well known in our culture, this finding would be repetitious of the preceding one. However, the provision of preventive services is not necessarily cheaper in dollars in the long-run than merely waiting for disease to become manifest. Their provision is a worthwhile goal, however, whatever the cost, because prevention reduces unneces-

sary suffering and death for a significant number of people.

Sec. 2a4. Appropriate support for HMOs will assist in correcting maldistribution, inefficiency, and inappropriate orientations in the existing health care system.

Support for HMOs authorized by this legislation will achieve these goals by directing at least 40% of the effort into medically underserved areas, by sponsoring organizations which reward efficient and economical operations, and by requiring supported organizations to provide full preventive services to their members. Each of these and related subjects are described in more detail below.

Sec. 2a5. A need on the part of proposed and developing HMOs for support in the form of technical assistance and resources.

HMOs will fail to develop in necessary numbers and with desired rapidity if financial support is not made available to them. This is evidenced by the fact that in the past four decades, without Federal support, the development of HMOs has been steady, but very slow. At the same time, monetary support without technical assistance would run an inordinate risk of sponsoring HMOs of low quality and high risk of failure.

Congressional Purpose [Sec. 2b].

This section states that the purpose of the Act is to attempt to achieve the goals discussed above.

TITLE XI—HEALTH MAINTENANCE ORGANIZATIONS

"DEFINITIONS

"Health Maintenance Organizations" [Sec. 1101.1].

Part 1 of Section 1101 defines and describes the attributes of organizations which will be considered HMOs for purposes of the support authorized by this legislation. Clearly, the term HMO is a generic term in common usage at the present time. There are both existing and anticipated organizations commonly thought of as HMOs, which may or may not meet the definition used in the legislation. It should be recognized that HMOs which do not meet this definition are, nevertheless, for general purposes, entirely legitimate and proper organizations for the delivery of health services. They merely would not qualify for the support authorized by this legislation. They might or might not qualify as HMOs under the differing terms of other Federal legislation, such as H.R. 1.

HMOs are defined here as either public or private non-profit organizations. Thus the support for HMOs authorized by this legislation is directed only to public and non-profit private organizations. This position is taken because it is felt by the sponsors of the Act that developmental Federal health monies should go only to non-profit organizations, as has generally been the case to-date (e.g., neighborhood health centers, C & Y projects, RMP programs, migrant health projects). Non-profit HMOs are both more likely than profit-making HMOs to be able to be formed only if they receive Federal support, and to locate in the medically underserved areas to which this Act gives priority. This does not mean that there are not and cannot be profit-making HMOs or that the Federal government might not work with them in other instances, such as contracting for services to beneficiaries under Titles XVIII and XIX of the Social Security Act. It is anticipated that profit-making HMOs will be formed. However, they are better able to find capital resources in the private marketplace, to which they will presumably return their profits.

Sec. 1101. 1 A. This part of the definition requires that in order to qualify for support as HMOs, organizations must provide a minimum set of health benefits, the comprehensive health services defined below, to all enrolled members for the same annual fixed payment, except as authorized by the Secretary. The payment is to be periodic, usually monthly, quarterly, or annually. It is to be unaffected by, and unrelated to, the amount or types of health services actually received by a member from among the services included in the comprehensive health services. This means it is to be a true prepayment calculated on the basis of the HMO's total costs for delivering comprehensive health services to all its members.

The services may be provided to members either directly or indirectly. Direct provision of services will be through physicians or other health professionals actually employed by the organization or in hospitals and other facilities actually owned or directly operated by the HMO. Indirect provision of services occurs in a variety of forms, including: provision of services by a medical group (defined below) with which the HMO has contracted for services; hospitalization of members in facilities which the HMO has privileges to use, but does not own; payment by the HMO for emergency care given a member when in another geographic area; or purchase by the HMO of certain specialty services on a fee-for-service basis. In each such case the HMO, not the member, is responsible for the payment for the service. The member receives the services without special or direct payment unless the services are not included in the comprehensive health services.

HMOs provide health services through a medical group or groups (defined below) and other health delivery entities. Other health delivery entities include hospitals, extended care facilities, independent home health agencies, multiphasic screening organizations, or laboratories with which the HMO would contract for services.

The payment for comprehensive health services provided may be supplemented by additional nominal payments in accordance with regulations of the Secretary. Examples of this are a payment of one dollar by a member for each physician visit, two dollars for each emergency room visit, or one dollar for each home health service visit. These additional payments are intended to be truly nominal so as never to constitute a barrier to needed services for any member. The use of nominal payments may allow the HMO to reduce somewhat the total prepayment for comprehensive health services and is not viewed as a method to control unwarranted utilization of services.

Sec. 1101. 1 B. This section of the definition of HMOs makes it clear that they may provide members with benefits over and above those included in the comprehensive health services. These might include pharmaceutical services, psychiatric care, dental benefits, transportation programs, or optometric care. The payments for these services might be through additional prepayments, traditional insurance mechanisms, fee-for-service, or other methods.

Part A of the definition requires all Federally supported HMOs to provide the same basic benefits to all their members (for payments that may vary among HMOs, but be uniform within each). This means that the real differences among the benefits of different HMOs will be in the benefits and payments for them, supplied under Part B of the definition, over and above the uniform floor of benefits required for all members. It is anticipated that much of the competition among HMOs for membership will focus on the different choices of extra benefits and methods of payment for them.

Sec. 1101. 1 C. HMOs are actual health care delivery organizations which take the responsibility to provide health services to enrolled members. This part of the definition requires HMOs seeking support under this legislation to show evidence that they are or will be able to provide health services to their members in a satisfactory manner. This will require HMOs to define and set standards for the availability and accessibility of health services and to develop ways of assuring that such services are appropriate and promptly obtainable. Issues involved might include asking whether services are provided at locations and during hours which are convenient for members and whether or not members understand how and where to obtain services. HMOs will also be required by this section to provide continuous care to their members. This means that a person being seen on multiple occasions for health maintenance or curative services would generally receive these services from the same place and health professionals. HMOs could generally comply with these requirements by encouraging each member to choose a personal or family physician, and arranging that that physician have ongoing responsibility for managing the member's care.

Sec. 1101. 1 D. This requires HMOs seeking support under this legislation to demonstrate fiscal responsibility. This includes showing what measures have been or will be taken to protect against insolvency, and whatever other matters the Secretary may require. Other considerations might include demonstrating actuarial or accounting competence, possession of sufficient assets, or submission to periodic audits. In developing measures of fiscal responsibility, it will be important to remember that HMOs are organizations for the delivery of health care, and are not insurance companies. HMO activities may overlap and in some ways resemble those of insurance companies, but they also go substantially beyond simple insurance. Specifically, HMOs, unlike insurance companies, are responsible for the health of their members and the delivery of health services to all members. This means that many criteria of fiscal responsibility appropriate to insurance companies may not apply to HMOs. Similarly, there are criteria applicable to HMOs that are not relevant to insurance companies. Clearly the requirements for fiscal responsibility could become more stringent as a proposed HMO moves from feasibility studies through development into actual operation. The authors of this legislation realize that not all feasibility studies will yield HMOs, but would like to minimize the number of failures of operating HMOs.

Sec. 1101. 1 E. Various authors, particularly J. S. Schwartz in his book, Medical Plans and Health Care: Consumer Participation in Policy Making (Springfield, Ill.: Charles C. Thomas. 1968), have shown the value to HMOs of meaningful grievance procedures for members and of giving members meaningful roles in policy making for the organization. These studies show that member participation in policy making makes HMOs more responsive to member needs, improves benefit structures, and increases accessibility without detrimental effects on professional income or the quality of services. Part E of the definition will insure that HMOs provide their members with policy making roles and grievance procedures. DHEW will need to define "meaningful" as applied to policy making and grievance procedures in a manner acceptable to it, and develop ways of ascertaining whether or not it is being achieved.

As examples, a member controlled HMO would certainly be one which gives members meaningful policy making roles, although this is by no means required in the legislation. One that gives 20–50% of the seats on the board of directors to members would suffice. An HMO with a members' advisory council to the board of directors would qualify if the HMO was shown to be responsive to their advice. Likewise, grievance procedures would be meaningful if ways existed of assuring that a grievance was heard and adjudicated.

It is not expected that all HMOs will use the same means for giving members policy making roles, nor that they will all handle grievances in the same fashion. In fact, HMOs serving members with differing social,

economic, or cultural backgrounds may well need to develop different mechanisms for bringing members into policy making to assure that members with differing cultural experiences gain equally effective roles.

In addition to grievance procedures for members, this section also calls for such procedures for employees of the organization whether or not they are members of the medical group.

Sec. 1101. 1 F. HMOs qualifying for support must provide two somewhat different kinds of education for their members. The first, traditional health education, aims at helping members understand health and disease, how to care for themselves and their families, and how to prevent accidents and unnecessary disease. The second, education in the proper use of health services offered by the HMO, will help members understand what benefits they are entitled to, when, where and how to obtain services, and which services to utilize at given times or in given situations.

Sec. 1101 1 G. This legislation offers unparalleled opportunities to measure and improve the quality of American health care. While the medical profession has traditionally been involved with peer review, medical audit and utilization review, these functions have rarely received the attention they have merited. This lack of attention has resulted because of a variety of difficulties such as the gathering and storing of data and to an extent technical and methodological constraints. However, the major reason why the assurance of quality medical care has not received proper attention is the lack of ongoing organizational arrangements to bring about continuous quality assurance.

What is quality assurance? Quality assurance is composed of two components, the first being quality assessment, the second being quality achievement. Quality assessment is the process through which medical care is measured. The HMO makes possible a major advance in quality assessment in that the enrolled population will be defined clearly and thus allow the development of denominator data essential to the calculation of rate and ratio measures of quality. Quality achievement is the process by which shortcomings measured in the quality assessment process are rectified by means such as continuing education, adminstrative or manpower changes.

Quality assurance systems must stress both process and outcome measures. Process measures are those documenting which preventive, curative, and rehabilitative health services have been provided for each member during the course of an interaction with the HMO. These process measures must include criteria for defining underutilization.

A peer review approach to quality assurance has already been demonstrated by Dr. Donald Harrington at the San Joaquin Foundation in California and by Dr. C. R. Brown at Chestnut Hill Hospital in Philadelphia.

Outcome measures are the most appropriate performance measures for HMOs as they focus on the actual health of the patient. It is possible to monitor a series of parameters (disability days, symptomatic condition, ability to carry out major activities, etc.) which can measure the health benefits the HMO provides its members. Strategies developed by Dr. John Williamson and Dr. Lawrence Weed's problem oriented record both facilitate this approach.

The development of a full quality assurance program may take an HMO two to three years. Such development is encouraged and expected during the course of planning, development, and initial operation. It is expected that the development of an HMO quality assurance program will take into account issues such as: the role of external health professionals in the review process; the relationship of HMO quality assurance programs to geographically oriented review organizations such as the proposed Peer Review Organizations and Professional Standards Review Organizations, and the possible role of members in the quality assurance program. It is also expected that the Secretary will develop organizational arrangements within DHEW for administering the quality assurance aspects of the HMO program.

Sec. 1101. 1 H. HMOs seeking Federal support must provide the Secretary of DHEW, members, and the public with various kinds of information about their operations at least annually. This will serve several related purposes, including: assisting Congress in evaluating the HMO effort (as required by Section 1113); helping members, particularly those involved in policy making roles, to understand the HMOs' operations; and aiding people in choosing among alternative systems of health care available to them through such programs as Medicare, Medicaid, or employee health programs. It is anticipated that means of public disclosure can be developed which make the costs, operations and benefits of HMOs well-known and easily understood by the general public. DHEW, which is required to make public and disseminate the data furnished by HMOs on a periodic basis, will thus assist in making HMOs widely understood.

The particular kinds of data required to meet the purposes listed above would include information on the costs, utilization availability, accessibility, acceptability, and effects on members' health of the services provided along with whatever other matters the Secretary might require. Since collection of all such data in detail would obviously entail significant cost and manpower investments, it is expected the Secretary will develop discrete and minimal data sets and thus provide constraints to the total amount of data required. HMOs involved in activities under Sections 1110 (Special Projects) and 1113 (Program Evaluation) may, when collecting data under those provisions, concurrently apply applicable data elements to meet the provisions of this section.

Sec. 1101. 1 I. The greatest incentive an HMO will have for maintaining the health of its members and for efficient, economical operations, lies in the fact that it will have both a fixed budget and the full contractual responsibility for providing all members with comprehensive health services. The HMO thus has a financial interest in keeping its members well and doing so in an efficient and economical manner for fear of exceeding its present budget. This part of the definition requires HMOs to bear this financial risk in full rather than pass it on to others through such mechanisms as reinsurance. This requirement is established since HMOs that pass on the risk can be expected to operate less efficiently and economically because they will have also passed on a major incentive for efficient operations.

This provision also means that HMOs are closed financial systems generating both their own income and expenses. This will give them the incentive for efficient operation inherent in having a limited income. It also means that HMOs will have actual control, whether by direct operation or contract, over the health resources used to deliver services. They can thus control the costs and operations of those resources.

Two exceptions are made to these rules: catastrophic illnesses, because although they occur infrequently, when they do occur, they may well be an unmanageable burden for any organization, particularly a small, new one; and out-of-area emergency services, because an HMO cannot be expected to bear risks for services over which it does not have some measure of control.

Sec. 1101. 1 J. HMOs must have at least annual, thirty-day period of open enrollment. During this enrollment period the HMO would enroll all comers without restrictions. The Secretary would be authorized to make exceptions, such as not requiring HMOs to enroll people who are ineligible for the community's health insurance programs like Blue Cross or Blue Shield. No HMO would be required to enroll people beyond its capacity (although capacity could not be arbitrarily defined at a low level to prevent enrollment). Nor would an HMO be expected to enroll people who would change its total membership so as to cause conflict with the requirements of other Federal laws, such as the requirement in H. R. 1, Section 226, for a membership over 50% under 65 years of age.

The requirement for a uniform payment for all members for the comprehensive health services (Section 1101. 1 A iii) would apply to individuals enrolling under open enrollment although their payments for other services (provided under Section 1101. 1 B) would not necessarily be uniform with those of other members.

Periods of open enrollment will aid HMOs in meeting the requirements in the General Provisions of this Act for a membership which reflects the social, age and income make-up of the organization's service areas. In fact, this provision is included to insure access to HMOs for all residents of areas served by them, and to help prevent HMOs from limiting their membership to young, healthy, working people since this would impose an unreasonable burden on the other health care providers in the area which would be left to care for older, sicker, unemployed persons.

DHEW will define in regulations ways of assuring that enrollment is truly open and without restriction through such means as requirements that HMOs make their open enrollment widely known to the public and reasonably straight-forward.

Sec. 1101. 1 K. HMOs must make services available to their members at all appropriate times so that members will not have to seek services outside the HMO. Clearly, there is no requirement for an HMO to provide all services at all times to all persons, but certainly emergency services should always be available and other services, within reason, should be available through evening or week-end hours to members who work during the regular work-week.

Sec. 1101. 1 L. HMOs must provide primary, true emergency services to non-members residing in their geographic areas who need emergency care and seeks it at the HMO facility because of its proximity. There is no intended obligation for HMOs to provide non-emergency services at any time to non-members. HMOs would not be expected to accept transfers of non-members, who had not gone for their initial emergency care to the HMO, from other health care facilities (co-called "dumping"). HMOs could charge non-members for emergency services in any fashion they choose.

Sec. 1101. 1 M. An effort has been made in this legislation to describe what HMOs must do (provide comprehensive health services, with quality assurance, etc.), but not to say how these general characteristics are to be achieved by any given organization. Thus there will be different kinds of HMOs, organized and run in different ways, employing different mixes of health manpower and resources, but all meeting the broad criteria for an organized system of health care set out here.

This section allows HEW to extend or clarify the definition and criteria for Federally supported HMOs in future years as experience dictates. The qualifications described in A through L would always need to be met, but additional ones could be added if it was considered necessary. Thus, if experience with HMOs showed that an HMO could effectively conform with parts A through L of the definition only if it had a minimum enrollment of a given magnitude, than that minimum

could later be made part of the definition itself.

"Comprehensive Health Services" [Sec. 1101.2].

In general, "comprehensive health services" means all those services necessary to maintain the health of members and to make ill patients well. Provision of all these services rather than a more limited set of benefits will allow the HMO to move members in appropriate fashion from one level of or setting for care to another. For example, inclusion of extended care services assures that HMOs will not have to keep members who can be cared for in extended care facilities in more expensive, acute care hospitals. Thus, the use of a comprehensive set of benefits will allow the HMO to provide both continuous, unified services and the most economical mix of services possible in a given situation. Under this Act comprehensive health services will include:

Sec. 1101. 2 A. Physician services—includes all physician-patient contacts from primary care to sub-specialty and referral care. At the same time, this definition is not meant to limit initial patient contact wth other health professionals, nor does it exclude the payment of nominal amounts at the time of physician contacts (Sec. 1101. 1 M iv).

Sec. 1101.2 B. Inpatient and outpatient hospital services—includes all acute general hospital admissions and outpatient clinic visits which in turn includes (but is not limited to) these services: blood bank, inhalation therapy, coronary and intensive care services, occupational therapy, premature nursery services, obstetrical and gynecological services, and social services.

Sec. 1101. 2 C. Extended care facility services—includes facilities capable of providing both skilled nursing services and intermediate care as defined by the Social Security Act. This provision insures that HMOs will qualify for Title XVIII reimbursement.

Sec. 1101. 2 D. Home health services—includes skilled nursing care and such other services as physical therapy, speech therapy, occupational therapy, medical social services and home health aid services provided in the homes of members. The provision of home health services and extended care services will help make it possible for the HMO to care for members at the most appropriate level of care.

Sec. 1101. 2 E. Diagnostic laboratory and diagnostic and therapeutic radiologic services—the full range of these services, including their professional component, either individually or in multiphasic combinations.

Sec. 1101. 2 F. Rehabilitative services—includes physical therapy and occupational therapy with an emphasis on those aspects fostering the reemployment or maintenance of employment of the HMO's members.

Sec. 1101. 2. G. Preventive health services—includes services which maintain the personal, mental and physical well-being of individual members. This may include multiphasic screening, crisis and suicide intervention, dietary and obesity consultations, genetic counseling, individual health risk rating, and member education programs.

Sec. 1101. 2 H. Emergency health services—includes all services for conditions of immediate and severe threat to the health of members.

Sec. 1101. 2 I. Out-of-area emergency health services—HMOs will provide full coverage for out-of-area services to members traveling away from the areas served by the HMOs.

Sec. 1101. 2 J. The Secretary may make arrangements with specific HMOs for personal health services not specified above. Such services might include renal dialysis, open heart surgery, outreach services, or employment services for members.

"Medical Group" [Sec. 1101. 3].

HMOs may provide comprehensive health services to members directly through physicians, osteopaths, dentists, or other health personnel who are employees of the organization. Alternatively, they may provide services indirectly by contracting for the services with groups of health professionals not under their employ. Such a group of health professionals is, for the purposes of this legislation, called a "medical group" and this definition provides criteria with which such contracting groups must conform if an HMO is to receive Federal support. Exceptions to these criteria are provided for at the Secretary's discretion during the initial three years of an HMO's operations so that the criteria will not prove burdensome to fledgling operations. It is not anticipated, however, that many exceptions will be made since the medical group is integral to the operation of an HMO and its definition is effectively an extension of the HMO definition itself.

The definition specifies that the medical group must: coordinate the practice of the individual members; pool its income and distribute it according to a set arrangement (an annual salary, a capitation rate, fee-for-service, etc.); share records and equipment (a requirement aimed at efficient and economical operations); use whatever health manpower (nurses, physicians' assistants, optometrists, etc.) as are necessary for effective provision of services; and provide its members with regular opportunities for continuing education. It is anticipated that medical foundations, patterned after the one at San Joaquin, will have little difficulty meeting these conditions. Clearly all of these subjects will require further definition by DHEW in regulations.

"Member" [Sec. 1101. 4].

A member is any person who enters into a contractual arrangement, or on whose behalf such an arrangement is entered into, with an HMO for the provision by the HMO to the person of comprehensive and other health services. These arrangements will place the responsibility for the provision of these services on the HMO. The inclusion of people in whose behalf contractual arrangements are entered into in the definition of members will require the HMO to record and be knowledgeable of each member's health needs and services received whether the member is the head of a household or a member of a household. Only if such information about each member is maintained will it be possible for an HMO to develop the kinds of data called for in Section 1101. 1 H and run the quality assurance program described in Section 1101. 1 G.

"Medically Underserved Areas" [Sec. 1101. 5].

A large portion of Federal support for HMOs in other sections of this legislation is directed into areas which lack adequate health resources at present. This part of the Act defines such "areas" for purposes of the HMO program. Such an "area" might be either urban or rural and in fact might be either a geographical area (such as several rural counties) or a particular population. In either case, the "area" will qualify only if it has a shortage of personal health services. "Shortage" will be defined by the Secretary along such lines as are now being developed by the National Health Service Corps. In developing a definition of "shortage" the Secretary may well seek the assistance of the National Advisory Council on Health Manpower Shortage Areas created by the Emergency Health Personnel Act of 1970.

The Secretary will be required, in designating "areas" as medically underserved, to consider the comments of all State and areawide comprehensive health planning agencies covering the area in question. The State agency for the State including the largest part of the area in question could well be given the responsibility for collecting the reviews of other state and areawide agencies and preparing a single submission to DHEW. In preparing their reviews, the CHP agencies would be instructed to consider such matters as the area's existing supplies of health manpower and facilities, its health status and needs, and its plans to meet these needs and their likelihood of success.

It is anticipated that within a reasonable period of time, DHEW will publish criteria for defining medically underserved areas and a list of those areas which meet the criteria.

"Construction" and "Cost of Construction" [Sec. 1101.6].

This part defines "construction" as being the construction of new buildings; the acquisition, expansion, remodeling, replacement, and alteration of existing buildings (including architects' fees, but excluding land except for land beneath existing buildings); and the equipping of buildings, new or old. "Cost of construction" is defined as the costs of the construction defined above.

"Catastrophic Health Services" [Sec. 1101.7].

Catastrophic health services, which with out-of-area emergency services are the only ones an HMO will be allowed to reinsure, are here defined as the comprehensive health services given to a member in any 12-month period after that member has already received $5,000 worth of comprehensive health services. The HMO will thus have the full responsibility for providing each member with up to $5,000 of comprehensive health services per year before it can limit its risks through reinsurance.

"GRANTS FOR PLANNING AND FEASIBILITY STUDIES

This section, 1102, provides grants for HMO planning and feasibility studies to public and private non-profit entities, either to assist in developing new HMOs or in expanding existing HMOs. These grants would be made to a variety of different kinds of entities, including consumer groups, medical societies, health profession schools (especially in medically underserved areas), and local governments. Since these grants will fund planning and feasibility studies it is not expected that every grant will result in an operational HMO. It is hoped, however, that applications can be reviewed so that a large percentage of grants (as many as 80 per centum) will actually yield HMOs. Grants shall be of one-year duration and shall not exceed $250,000 except under unusual circumstances, e.g., size factors or exceedingly heterogeneous populations in terms of either socioeconomic parameters or illness patterns. In such exceptional circumstances, the Secretary, with the concurrence of the National Advisory Council on Health Maintenance Organizations, may award a second grant for any single project. A given entity or HMO may receive multiple grants under this section for the planning of different HMO projects or the expansion of an HMO into different areas.

In making these awards, the Secretary shall consider the sources from which developing HMOs will gain consultation, and give priority to organizations expecting to enroll significant numbers from medically underserved areas. In the aggregate, 40 per centum of the potential members anticipated by these organizations shall be from medically underserved areas. This does not mean that each HMO will need to enroll 40 per centum of its members from medically underserved areas. Some HMOs may well enroll few members from such areas. Others may be located in them and draw all their members from them. This provision is intended to direct 40 per centum of the entire HMO effort under this section into medically underserved areas. This requirement is of high priority as numerous inner-city and rural areas have too long been denied access to comprehensive and quality health care services.

Authorization is given for the appropria-

tion of such sums as may be necessary to achieve the purposes of this section.

GRANTS FOR INITIAL DEVELOPMENT COSTS

This section, 1103, provides grants to organizations intending to become HMOs for their initial development. The development of any organization requires substantial investments before it can become operational; the HMO is no exception. The history of the development of prepaid groups and the recent experiences of Kaiser/Denver and Johns Hopkins/Columbia make clear the need for developmental support. It is also the purpose of this section to encourage the development of HMOs in medically underserved areas. Thus the Secretary will be required to assure that 40 per centum of the aggregate anticipated membership of potential HMOs supported by this section will be from medically underserved areas.

While development grants will focus in a number of areas, experience and sound management principles dictate that particular concern be paid to a series of issues. A relatively rapid enrollment of a large number of members is essential for both the financial and operational viability of the organization, in that only when a sufficient number of members have enrolled will organizational economies be feasible, and only then can health care be provided in ways which facilitate and support the concepts of health maintenance. Similarly, a detailed and rational design for providing health services should be developed, otherwise the benefits to be accrued from the organization of these services will not occur. Developing HMOs are encouraged and expected to demonstrate an awareness and understanding of financial monitoring and accounting methods already in use by HMO-like organizations and then to develop improved and modified methods to meet their individual needs. During the developmental period, consideration shall also be given to the recruitment and training of personnel and the unique situation of each HMO as it relates to the health and socioeconomic characteristics of its potential members. The health needs of potential members shall be one major determinant in the recruitment of personnel and in the development of objectives for training activities.

Grants are limited to a maximum of $1,000,000 and to two years of development, except in special circumstances, in which case a second grant may be made with the concurrence of the National Advisory Council on Health Maintenance Organizations.

Authorization is given for the appropriation of such sums as may be necessary to achieve the purposes of this section.

"CONSTRUCTION GRANTS

This section, 1104, provides funds for the construction of ambulatory facilities which will serve, in whole or in part, in medically underserved areas. The rapid increase in the number of emergency room visits (from 20 to 40 million from 1962 to 1969) indicates the magnitude of need for ambulatory services and for the construction of such facilities, particularly in medically underserved areas. In addition, many medically underserved areas are in urban areas where antiquated facilities are presently in use; under this section such facilities could be renovated and are given priority consideration. Support under this section will be available for the construction of facilities which do not serve solely residents of medically underserved areas, but that support will be limited in proportion to the percentage of people to be served by the facility who will be from underserved areas. It is recognized that in particular medically underserved areas the need for such facilities may be extreme; in such case the Secretary may award a second grant with concurrence of the National Advisory Council on Health Maintenance Organizations.

Grants are limited to a maximum of $2,500,000 and up to 75 per centum of the costs of construction.

Authorization is given for the appropriation of such sums as may be necessary to achieve the purposes of this section.

GRANTS FOR INITIAL COSTS OF OPERATION

This section, 1105, provides grants to defray a portion of that portion of the initial operating costs incurred by HMOs in medically underserved areas. It is generally accepted that there is a minimum enrollment necessary for a self-sustaining HMO, and that such enrollment may be achieved only after one to three years of operation. Initial operational cost and risk is further accentuated by operation or expansion into medically underserved areas which may contain persons with greater than average health risks.

Grants awarded under this section shall not exceed $750,000 or 60 per centum of operating costs during the first year of operation by an HMO, $500,000 or 40 per centum of operating costs during the second year of operation, and $250,000 or 20 per centum of operating costs during the third year. While grants are limited to $1,500,000 over a three-year period, again it is recognized that the operation of an HMO in severely medically underserved areas may require additional support in time and/or amount. Such additional support may be allowed by the Secretary with the concurrence of the National Advisory Council on Health Maintenance Organizations.

Authorization is given for the appropriation of such sums as may be necessary to achieve the purposes of this section.

CONSTRUCTION LOANS

Loans, under section 1106, shall be available to extant or developing HMOs for the construction of ambulatory care facilities, e.g., clinics, multiphasic screening centers, and dental clinics. For efficient utilization of funds in this section, priority is given to acquisition and renovation of existing facilities. The Secretary may, with concurrence of the National Advisory Council on Health Maintenance Organizations, award a second loan for construction to any one project in exceptional circumstances. Such circumstances might include: HMOs developing services for an especially large number of members, or HMOs in geographically large areas which may require a series of ambulatory facilities and cannot lease facilities.

Loans are limited to a maximum of 90 per centum of construction costs, and (when added to grants made under Section 1104) to $2,500,000.

For this and the other loan sections of this title, provision is made for the creation of a revolving loan fund whereby loan repayments would return to the fund for use in making further loans.

Authorization is given for the appropriation of such sums as may be necessary to achieve the purposes of this section.

LOANS FOR INITIAL COSTS OF OPERATION

This section, 1107, provides for loans to meet a portion of initial operating costs. These initial operating costs may stem from factors such as low enrollment, investment in equipment, marketing costs, and necessary but initially inefficient arrangements for medical services.

HMOs in medically underserved areas may qualify for both grants and loans while HMOs serving areas of adequate medical service may receive only loans. Again, under exceptional circumstances, the Secretary may award additional loans to any project.

The combined assistance received by an HMO under Sections 1105 and 1107 is never to exceed $1,000,000 in any one year or $2,500,000 in three years, and generally not to exceed $750,000 or 60 per centum of operating costs in the first year (whichever is lesser), $500,000 or 40 per centum of costs in the second year, and $250,000 or 20 per centum of costs in the third year.

This section has authorization for appropriations of such sums as may be necessary to carry out the purposes of the section and provisions for the creation of a revolving loan fund.

GENERAL PROVISIONS FOR LOANS

This section, 1108, allows the Secretary to charge interest on any loan at a level comparable to the prevailing rate under Section 1109. Payment on the principle of loans shall not be due for two years. No loans may have a term greater than 15 years. Before the Secretary makes such loans he must be assured of the applicant's ability to provide security for such loans, to repay them and to meet such terms and conditions as the Secretary determines are necessary.

LOAN GUARANTEES AND INTEREST SUBSIDIES

Section 1109 provides for assistance to private non-profit HMOs and entities intending to become HMOs in the form of loan guarantees and interest subsidies. These loan guarantees and interest subsidies will be for construction projects for ambulatory service facilities, initial development costs (with a two-year limitation) and initial operating costs (with a three-year limitation). The loan guarantees and interest subsidies are not available to public HMOs or public entities intending to become HMOs because public organizations should not need such support in order to get loans. Interest subsidies may reduce interest rates by, but not more than, 3 per centum per annum. All loan guarantees and interest subsidies are limited to amounts which do not exceed 90 per centum, when added to the grants and loans made under other sections, of the costs of construction, development, or initial operations.

Extensive provisions are included in Section 1109b through Section 1109g describing the terms of loans to be guaranteed or subsidized, the United States' rights of recovery, the contestability of the guarantees, limitations on the total principle of loans guaranteed, and a Health Maintenance Organization Loan Guarantee Fund to be used in achieving the purposes of this section.

SPECIAL GRANTS AND CONTRACTS

Innovations and advances in health care will be made by HMOs. Existing HMO-like organizations such as Kaiser/Oakland and Kaiser/Portland have demonstrated an ability to plan, develop, implement and evaluate projects which have contributed to our knowledge of health care. This section, 1110, provides the opportunity for, and encourages but does not require, HMOs to engage in special projects particularly facilitated by the HMO environment. These project areas include:

1. The exploration of new roles for health professionals, e.g., pharmacists, nurses, home health aides. etc., which can provide for the more efficient use of our limited health manpower;

2. The development of new health information systems which focus on diagnostic and therapeutic data and facilitate the unit record;

3. The development of patient transportation systems to increase access to health care, particularly for rural and inner-city enrollees;

4. The improvement of patient education programs which will lead to greater understanding of health maintenance concepts and thus lead to more effective care;

5. The training of HMO members with organizational policy making responsibilities in the concepts of HMO administration and management;

6. The development of programs which periodically assess the level of health of enrollees;

7. The development and evaluation of programs for initial medical screening;

8. The development of methods to evaluate types of care required by patients during the course of an illness. Such evaluation will lead to proper institutional placement of patients and thus to more effective and efficient care.

These projects may be carried out either through grants or contracts which may not exceed $1,000,000 in amount nor four years in length. Such allowance of time and funds will meet the need for funds of projects with high start-up costs, such as health information systems while at the same time providing adequate time for projects such as patient education programs and periodic health assessment which may need a four-year period to assess their impact.

The Secretary may also give grants or make contracts with non-profit organizations for the delivery of comprehensive pre-paid care in rural areas if these organizations are not otherwise eligible for grants and contracts under this section. This reflects the fact that insufficient attention has been focused on the complex problems in providing comprehensive health services to rural areas. Full solutions to these problems will be developed from efforts in health manpower, e.g. correcting the maldistribution of health professionals and efforts such as this legislation in modifying the organization of the health care system. Because current experience with HMO-like entities has been almost exclusively in urban areas, this provision provides the Secretary discretionary power to expand those experiences by encouraging and initiating rural HMO-like projects.

GRANTS FOR HEALTH MAINTENANCE ORGANIZATION MANAGEMENT TRAINING

This section, 1111, recognizes the shortage of managers, administrators, actuarians, and others with the various management expertise needed for the successful operation of HMOs. It will therefore provide Federal moneys for the training of such people in HMO settings for the management and administration of HMOs.

Support under this section will normally go to colleges and universities, but may also go to any other approved public or private non-profit educational entity such as research institutes or HMOs themselves. The programs receiving support would require "approval" by DHEW in conjunction with the granting process. Approval would be limited to programs which provide practical experience for their students in HMO settings. The approval process would also consider such other matters as the qualifications of the programs' instructors, the contents of the curriculums, and its responsiveness to student needs, the duration of training, the nature of practical experiences offered, and, in due course, the results of the programs as reflected in the job performance of the students.

Grants under this section may well go to a variety of professional training programs. Thus both full courses of study leading to degrees, such as bachelor or masters degrees, and short-term or continuing education courses could be supported. In addition, courses in HMO management in general could be supported along with programs limited to the special aspects of HMO work that exist for certain disciplines (hospital administrators, actuarians, accountants, etc.) All recipients of these training grants would be expected to have contractual arrangements with HMOs which made on-the-job experience in HMO management available to the students.

Not less than 75 per centum of these grants are to go into actual traineeships or fellowships. Thus educational entities are limited to using a maximum of 25 per centum of the grants to help defray the costs of running the approved programs. Provision is made for funding, in whatever amounts the Secretary finds necessary, both traineeships in degree programs and fellowships for advanced studies.

Authorization is for such sums as may be necessary for carrying out the provision of the section.

GRANTS FOR CLINICAL TRAINING PROVIDED BY HEALTH MAINTENANCE ORGANIZATIONS

At present very few health professional students are trained all or in any part in HMOs. The natural result is that these students fail both to understand and to accept HMOs, while developing an intimate knowledge of and faith in the systems for health care delivery in which they are generally trained (primarily acute, general hospital inpatient and outpatient services). This section recognizes the fact that recruiting by HMOs of physicians, nurses and other health professionals will be easier if they are trained in HMOs. Thus, this section authorizes for appropriation the sums necessary for grants to health professions schools to cover the costs of providing clinical training to students in HMOs which the schools own and operate, or with which they contract for services. Priority is to be given to schools which operate their own HMOs. These grants are to be used to cover the costs of program administration, faculty salaries for health professionals working in HMOs, and other relevant program costs.

PROGRAM EVALUATION

Section 1113 indicates the evaluation of the HMO program should be full and rigorous. The performance of the varied components of the health care system is of vital interest to the Congress as it prepares to make health care decisions in the 1970's which will affect future decades. Aggressive evaluation of the HMO effort should begin to provide information on that performance and is thus an essential part of this title.

Evaluations may include:

1. Project evaluations to provide indications of the relative success of individual HMOs in meeting specific local objectives;

2. Program strategy evaluation which compare efficiency and effectiveness of differing types of HMOs (e.g., Kaiser, San Joaquin, Puget Sound, Columbia, etc.) and also compare HMOs with other types of medical practice including fee-for-service arrangements;

3. Program impact evaluations which assess the impact and extent to which the total HMO program achieves the goals indicated in the introduction of this analysis.

It is expected that the Secretary will define distinct and responsive organizational arrangements for the purpose of carrying out these evaluations and for reporting to the Congress and the public on a regular basis. It is anticipated that evaluation expenditures will be 0.5% of the total HMO assistance in the initial year and 2.0% during the third year of this program. Experience with the evaluation of other government health programs indicates that such investments are mandatory in a new program of this scope.

GENERAL PROVISIONS

This section, 1114, describes certain general provisions applying to all or large parts of the HMO effort that this Act would support.

Sec. 1114. a. This empowers the Secretary to require an application for any form of assistance under any part of this Act. The application is to be submitted in such form and manner and with such contents as the Secretary may require. It must be approved by the Secretary before any form of assistance can be given.

Sec. 1114. b. This part further specifies the contents of applications for assistance in Section 1114. b 1, and progress reports on Section 1114. b 2, planning, developing, constructing, and operating HMOs themselves. This part thus does not apply to the special projects or management and clinical training parts of the Act. A list of various aspects of an HMO's planning and operations (based upon the various parts of the definition, Section 1101. 1) is given as the minimum areas that an HMO application for assistance must describe. These include: (1) population group or groups to be served by the existing or proposed health maintenance organization described in the application; (2) enrollment for such organization; (3) methods, terms and periods for the enrollment of members; (4) nature and estimated costs per member of the health care and educational services to be provided; (5) sources of professional services, and organizational arrangements for providing health care and educational services; (6) organizational arrangements for an ongoing quality assurance program; (7) sources of prepayment and other forms of payment for the services to be provided; (8) facilities available for and additional capital investments and sources of financing therefor, required to provide the level and scope of services proposed; (9) administrative, managerial, and financial arrangements and capabilities of such an organization; (10) role for members in the planning and policy making for such organization; (11) grievance procedures for members, staff and employees; and (12) evaluation or evaluations of the support for and acceptance of such organization by the population to be served, the sources of operating support, and the professional groups to be involved or who would be affected thereby. DHEW is given authority to add to this list and to specify the manner and form of applications.

It is recognized that over the space of several years a single HMO will usually make multiple applications for different types of assistance and it is stated that in doing so an HMO will not meed to make repeated submissions of the same information as long as they keep their descriptions of themselves up-to-date in a manner satisfactory to the Secretary. It is anticipated that for simplicity's sake DHEW will use standardize application forms and procedures for the various types of assistance available.

Progress reports are required of assisted HMOs upon completion of periods of assistance under Sections 1102–1107 and 1109. These progress reports shall be submitted in a manner satisfactory to the Secretary. More important, they are to cover, at a minimum, the same aspects of HMO operations specified for description in applications so that evaluative comparisons can be made between the plans specified in applications and the progress subsequently reported. To facilitate this, it is hoped that progress reports will follow the formats used in applications.

Sec. 1114. c. This part of the General Provisions requires HMOs assisted under Sections 1102–1107 and 1109 (support for planning, development, construction, and initial operations) to submit assurances, at such times and in such manner as DHEW requires, of financial responsibility and operations consistent with both the terms of this Act and their own plans as submitted in applications. Clearly, such assurances could be incorporated into the progress reports described above, but this part permits the Secretary to go beyond them if he feels it necessary. HMOs which fail to provide such assurances could, under this part, have their assistance terminated at whatever time the Secretary deemed appropriate.

Sec. 1114. d. Part d of the General Provisions limits planning, development, construction and initial operating assistance of all kinds to HMOs which can show they will, or will continue to: enroll members who are broadly representative of the age, social and income make-up of the areas to be served by the HMO; and enroll the maximum number of members that their available and potential resources will allow them to serve effectively. The Secretary is given the obligation to define, in regulations, these various terms and criteria for judging whether or not an HMO meets these conditions. Thus, the word "social" will need detailed interpretation reflecting the inclusion in it of such matters as the area's economic and racial make-up.

These conditions are included in the legislation for several important reasons. The sponsors of the Act do not envision HMOs

as being uniquely suited to any one age, social or income group and do not intend them as one part of a two-class system of health care. Thus this provision is included to insure that the membership of HMOs remain heterogeneous and open to all people. It is further hoped that this provision will prevent HMOs from serving only the young, healthy, employed or other desirable parts of their communities, thus placing an undue burden for care of the older, sick and unemployed on the remainder of the communities' health systems.

Sec. 1114. e. This part requires the Secretary to consider prior to approval, the reviews and comments of State and areawide comprehensive health planning agencies upon all applications from potential or existing HMOs for all forms of assistance in planning, development, construction, and initial operations. The Secretary might reasonably arrange for the State CHP agency covering the largest part of the HMO's service area to receive the reviews and comments of other State agencies, and the areawide CHP agencies, and coordinate them in a single submission to DHEW.

DHEW will need to specify in regulations the kinds of things to be considered by CHP agencies in their reviews of HMO applications. These might include: the need of the area to be served for the proposed HMO, whether the HMO's plans are consistent with other health plans for the area, whether the area has the health resources needed for a successful HMO operation, as well as the aspects of HMO operations enumerated in Section 1114. b 1.

Sec. 1114. f. The Secretary is given the authority in this part to terminate or cancel any form of assistance to any HMO found to be in substantial non-compliance with the various terms, provisions, and conditions of the legislation.

NATIONAL ADVISORY COUNCIL ON HEALTH MAINTENANCE ORGANIZATIONS

This section will create in the Public Health Service a National Advisory Council on Health Maintenance Organizations. Parts a, b, and c of this section describe respectively, the make-up, terms of office, and reimbursement of the Council. Briefly, there are to be twelve members, serving overlapping four-year terms, who choose their own chairman and are to be compensated at rates fixed by the Secretary. The council membership is to include representatives of HMO programs, the medical sciences, medical education, the health insurance industry, labor and management, hospital and medical administration, and public affairs. Three members of the Council are to be physicians, and three are to be consumer members of HMOs. Clearly, in some cases, it will prove possible to represent more than one of the listed interests with a single member of the Council.

Part d describes in general terms the duties of the Council. These include, but would not be limited to: advising the Secretary on the preparation of regulations and policies under this title; consideration of applications for assistance from HMOs; and recommendations, either general or specific (in the case of a second loan or grant under the same section to a single HMO project) for the approval of applications.

RESTRICTIVE STATE LAWS

Many states have laws which restrict, in various different ways, the corporate practice of medicine. Over the last 30 years, these laws have been tested in various parts of the country and have been consistently struck down by the courts on various grounds, typically that they constitute an illegal restraint of trade. However, these laws remain in approximately 20 states and would constitute a serious barrier to the HMO effort since HMOs will be, legally, corporate entities engaged in the practice of medicine.

This section would remove this barrier to an effective Federal HMO effort by allowing the Secretary to issue a certificate of incorporation to any HMO which is prevented by State laws from incorporating for various listed reasons, even though the HMO fully meets the requirements of an HMO as defined in Section 1101. HMOs thus incorporated would be limited to the performance of the functions of an HMO and things necessary to those functions. The Secretary will be responsible for the regulation, in addition to other things, of HMOs thus incorporated, in the manner that corporations are ordinarily regulated in the State in which the HMO is located.

Section 4. The legislation ends with minor technical amendments to the Public Health Service Act designed to preserve the proper numbering of its Titles and Sections.

CANAL ZONE SURRENDER PROPOSAL: THREAT TO FREE WORLD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD), is recognized for 10 minutes.

Mr. FLOOD. Mr. Speaker, since the publication on page 1 in the October 19, 1971, issue of the New York Times of a newsstory supporting the program of certain elements in the Department of State for the surrender of U.S. sovereignty over the Canal Zone to Panama there has been an overabundance of newsstories and editorials in the mass news media of the United States to the same effect. These writings have not been aimed toward objective clarification of crucial canal issues and their solution but at conditioning the people of our country to accept the projected surrender of the Canal Zone and the eventual giving away of the Panama Canal. Evidently there has been a studied propaganda campaign by the executive branch of our Government to sway our people to acquiesce in the monstrous proposal.

For example, it was the commanding influence of Herbert L. Matthews of the New York Times that led to the overthrow of the pro-U.S. Government of Cuba in 1959 and the buildup in the so-called free press of our Nation of the Communist Fidel Castro of Cuba as that country's George Washington. Nor has the Times ever painted Castro in his true colors. (Mario Lazo, Dagger in the Heart, New York: Twin Circle Publishing Co., 1968, pp. 120–34.)

Fortunately, there have been patriotic, well informed, and articulate citizens of the United States at home and in the Canal Zone who understand the situation at Panama from personal observation and long association with the canal problem who have written letters to editors in various newspapers. Among recent letter writers are Jacqueline Overstreet of Albrook Air Force Base, C.Z., and William B. Collier III of Santa Barbara, Calif.

As to the mention by Mr. Collier of Secretary Taft's use of the term "titular sovereignty," I wish to stress that this can only mean a reversionary interest on the part of Panama in the sole event the United States should abandon the Panama Canal.

From a reading of various recent newsstories and editorials following the October 19 New York Times newsstory on the Panama Canal it is clear that certain officials in our Government in the past have made serious policy errors as regards the Isthmian question and that present officials are compounding the evil by persisting in error, in many respects repeating what occured in Cuba. When the facts are fully understood by our people, who are rapidly learning them, they will never stand for the projected surrender at Panama and any administration responsible for the planned catastrophe for the free world will be in serious error. Moreover, should the projected surrender treaties be submitted to the Senate for approval many Members of the House on both sides of the aisle stand ready to march four abreast to the Senate Committee on Foreign Relations and to testify in opposition.

Mr. Speaker, as regards the Isthmian situation the canal policymakers in our Government through ignorance, weakness, or design, are undertaking to repeat at Panama the same stupid blunder as was perpetrated concerning the Taiwan question. Certainly the time has come to terminate the current negotiations with Panama, to serve notice that U.S. sovereignty over the Canal Zone is not negotiable, and to fire our Chief Negotiator Robert B. Anderson, and his chief assistant, John C. Mundt. The dismissal of these figures is justified not on the ground of differences of opinion but because the policy that they advocate is based on provable slanted press reports and official subservience to these reports. For example, I refer to the frequent reference to the "lease" by the United States of the Canal Zone territory. There is not nor was there ever any "lease" of the zone for canal purposes in Panama. The Canal Zone is deeded and paid for United States soil as definitely as the Louisiana Purchase of 1803 or the Alaska Purchase of 1867. It is totally false to use Panama's reversionary interest with any imputation of the right of any power to this bona fide territorial acquisition of the United States.

The required notice of our Government's determination to retain its full sovereign control over the Canal Zone and Panama Canal can best be given by prompt adoption by the House of the pending resolutions on Panama Canal sovereignty.

Two recent letters to the editor of the New York Times follow:

[From the New York Times, Oct. 31, 1971]

CANAL ZONE TALKS

TO THE EDITOR: On Oct. 11, I listened as Gen. Omar Torrijos told his country—indeed the world—that he will take control of the Panama Canal Zone. He seems to believe the treaty negotiations now in progress will give him sovereignty of the Zone. If this fails, he says, he will enter the Zone ahead of his 6,000 guardsmen.

General Torrijos does not want to operate the Canal. He has stated many times Panama

does not have the ability to do so. He does, however, want to abolish the office of Governor of the Zone; to have a Panamanian mayor, and to have Panama police patrol the Zone. In other words, he wants to rule the Canal Zone in the same way that he rules Panama.

Those of us now living in the Zone know the rule of terror under which the people of Panama exist. The general has complete control of radio and TV stations and of the press. He has stopped freedom of speech. In the last few months he has begun to harass the church.

Is this the kind of life we are expected to live in the Canal Zone? Are the Americans, who have fought for freedom since the birth of our country, going to surrender now?

Now is the time for each citizen to decide. It must be decided before the new treaty is signed. Will we keep the "Crossroads of the World" free? Or will we give it to a leftist dictator named Omar Torrijos?

JACQUELINE OVERSTREET,
Albrook Airforce Base, C. Z.

OCT. 13, 1971.

EDITOR,
New York Times.

DEAR SIR: Referring to the report by Benjamin Welles in your Oct. 19th issue, I take exception to the conclusions that the United States leases the Canal Zone, pays rent, and that the Convention of 1903 did not grant exclusive sovereign jurisdiction to the United States.

Article II of the Convention of 1903 reads: "The Republic of Panama grants to the United States in perpetuity" and goes on to describe the Canal Zone, the boundaries of which are more precisely defined in a later treaty and include all of the land under the waters of Gatun Lake and the land around it up to the 100 foot contour line in addition to the ten mile strip of land established in the popular mind.

After consulting with Republican leaders including Elihu Root and leading Democrats including Senator John Tyler Morgan of Alabama, Secretary of State John Hay insisted on the words "grants to the United States in perpetuity" to comply with the Spooner law of 1902. Congress had authorized the President to build the Panama Canal only if he acquired "perpetual control" of a strip of land across the Isthmus and clear title to the French Canal property and approval of the sovereign of the Isthmus of Panama to transfer the Canal from a private company to the Government of the United States. The law appropriated $40 million to purchase the French Canal and Panama Railroad and $10 million to start the project.

According to Art. XIV of the 1903 treaty, "As the price or compensation" for the land and exclusive U.S. sovereign jurisdiction, the United States paid $10 million gold to the Republic of Panama. The $250 thousand annual payment "in like gold coin" was compensation for loss of the annual franchise payment of the Panama Railroad, which can be confirmed by reading Art. XXII of the treaty. In 1867 Colombia had renewed the franchise of the Panama Railroad Company for 99 years on payment of one million dollars cash and an annual payment of $250 thousand. The financial terms were originally negotiated with Colombia, and the Colombian Charge d'Affaires had been demanding $600 thousand per annum to compensate Colombia not only for the loss of the revenue from the railroad but also for loss of customs duties, taxation, etc. which Colombia was asked to give up by granting a ten kilometer strip of land to the U.S., but Secretary Hay who began negotiations with a very inconsequential annuity would assume only the financial obligation of the Panama Railroad and that was the final figure agreed upon. Colombia then rejected the terms offered when many legislators in Bogotá decided that Colombia should be paid $10 million by the French Canal Company for approval of the transfer of the franchise and $15 million by the United States for the land. This is the $25 million finally paid to Colombia by the United States for a quit claim in the Thomson-Urrutia Treaty whereby Colombia recognized the Independence of Panama and recognized that title to the Panama Canal and Panama Railroad is "vested entirely and absolutely in the United States without any encumbrances or indemnity whatsoever."

When Colombia rejected the Hay-Herrán Treaty, the Spooner Act required the President to build the Nicaragua Canal. The people of Panama did not wish to lose the canal to Nicaragua and sent emissaries to the United States seeking aid for Panamanian Independence. They wrote letters to Secretary Hay complaining that the Colombian troops in Panama had not been paid for three months and were pillaging and living off the people of the Isthmus. The French Panama Canal engineer Phillipe Bunau-Varilla advanced one hundred thousand dollars to pay the back wages of the officers and men of the Panama garrison and President Roosevelt sent U.S. Navy vessels to Panama to prevent landing of troops with hostile intent. Panama gained its long sought independence and offered a treaty to the Untied States at the same financial terms which the United States had offered Colombia but which embodied all of the amendments proposed by Senator John Tyler Morgan of Alabama. It is very doubtful if a treaty less favorable to the United States than the Convention of 1903 could have been approved by the United States Senate. The group of Senators led by John Tyler Morgan favored the Nicaragua Canal because of the shorter sailing distances from Gulf Coast ports to Pacific ports, and the opposition to the Panama Canal was too strong. The Hay-Bunau-Varilla Treaty was ratified first by Panama before being submitted to the United States Senate. At law a contract is always construed against the party which drew up the contract.

Article III of the Convention of 1903 grants exclusive sovereign jurisdiction to the United States in the following words: "The Republic of Panama grants to the United States all the rights, power and authority within the zone (described in Art. II) which the United States would possess and exercise if it were sovereign . . . to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power or authority."

The intent of the high contracting parties was made clear in a note dated May 25, 1904 from Tomás Arias, Minister of Government of Panama, who had been a member of the Independence Movement which gave birth to the Republic of Panama, to General George W. Davis, United States Army, Governor of the Canal Zone: "The Government of the Republic of Panama considers that upon exchange of ratifications of the treaty for opening an interoceanic canal across the Isthmus of Panama its jurisdiction ceased over the Zone."

William Howard Taft's theory of "titular sovereignty" was based on a rule of English grammar not on the usual meaning of the words or the intent of the high contracting parties. He, himself characterized "titular sovereignty" as a "barren ideality" and Secretary of State John Hay defined it as a "barren sceptre."

In a letter dated January 12, 1905 to President Roosevelt, Mr. Taft wrote: "The truth is that while we have all the attributes of sovereignty necessary in the construction, maintenance, and protection of the canal, the very form in which those attributes are conferred in the treaty seems to preserve the titular sovereignty over the Canal Zone in the Republic of Panama, and as we have conceded to us complete judicial and police power and control over the zone and the two ports at the ends of the canal, I can see no reason for creating a resentment on the part of the people of the Isthmus by quarreling over that which is dear to them but which to us is of no real moment whatever."

April 18, 1906, in a statement before the Senate Committee on Interoceanic Canals, Mr. Taft quoted Article III of the Convention of 1903 and said: "It is peculiar in not conferring sovereignty directly upon the United States, but in giving to the United States the powers which it would have if it were sovereign. This gives rise to the obvious implication that a mere titular sovereignty is reserved in the Panamanian Government. Now, I agree that to the Anglo-Saxon mind a titular sovereignty is like what Governor Allen, of Ohio, once characterized as a "barren ideality", but to the Spanish or Latin mind poetic and sentimental, enjoying the intellectual refinements, and dwelling much on names and forms, it is by no means unimportant.

Very respectfully yours,

WILLIAM B. COLLIER III
Santa Barbara, Calif.

October 23, 1971.

ANOTHER INCIDENT OF INTIMIDATION BY FEDERAL POLICEMEN, WITH JEOPARDY TO THE BILL OF RIGHTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. JAMES V. STANTON) is recognized for 10 minutes.

Mr. JAMES V. STANTON. Mr. Speaker, on November 2, 1971, on page 38707, I inserted in the CONGRESSIONAL RECORD a letter I had written to President Nixon regarding certain acts of intimidation by the U.S. Secret Service, the target of these un-American actions being one of my constituents, Mr. Borivoje M. Karapandzich of Cleveland, Ohio. Mr. Karapandzich is an outspoken foe of Marshal Tito of Yugoslavia, a recent visitor to our country. At the same time, I inserted other material in the CONGRESSIONAL RECORD, dealing with other developments along these lines.

On November 8, I received the following letter from the White House:

THE WHITE HOUSE,
Washington, November 4, 1971.

Hon. JAMES V. STANTON,
House of Representatives,
Washington, D.C.

DEAR MR. STANTON: This will acknowledege your letter to the President presenting a report of an interview with Mr. Borivoje M. Karapandzich by agents of the United States Secret Service. You may be assured this matter will receive prompt consideration.

With cordial regards,

Sincerely,

WILLIAM E. TIMMONS,
Assistant to the President.

In the meantime, pending a more detailed reply from the White House, I urge my colleagues to keep Mr. Karapandzich's complaint in mind, and I urge them, too, to give heed to the following

article which appeared this morning on the front page of the Washington Post:

FBI PROBES NEWSMAN CRITICAL OF PRESIDENT

(By Ken W. Clawson)

Acting on orders from the White House, the FBI has been investigating veteran CBS correspondent Daniel Schorr.

The investigation started Aug. 20 in the midst of one of Schorr's frequent clashes with White House aides over the quality and accuracy of his reporting.

FBI agents called on Richard Salant, president of CBS; Bill Small, CBS Washington bureau chief; Fred Friendly, former president of CBS, and even neighbors of Schorr, who lives in Georgetown, and those of his brother, Alvin, who lives in New York.

In each instance, agents said that Schorr was being considered for a "position of trust and confidence" in the government. An agent told Salant, who was suspicious of the reason for the probe, that Schorr had been proposed for a "very important job" and the White House had asked the FBI to expedite the investigation.

Most of the interviews took place during the weekend of Aug. 20.

No job offer was ever made to Schorr, but a White House official said last night that Schorr "was under consideration, among others, for a high position in the environmental area. The consideration was terminated, not for any reason that turned up in the FBI investigation, but for other reasons with respect to him and the position for which he was being considered."

The official refused to identify the environmental post.

"I now believe there was never a job to be offered," Schorr said yesterday. "Out of curiosity mostly, I have checked every source who might know without the slightest indication that I was ever considered for any post."

It was learned that the White House indeed sought from the FBI a field investigation on Schorr and, as is usual in these cases, indicated it was because Schorr was under consideration for employment in a substantial government post.

The investigation started three days after President Nixon made a speech to the Knights of Columbus in New York in which he indicated he strongly supported financial aid to parochial schools despite political and constitutional barriers. On the night of the speech, Schorr reported the President caught Catholic educators and even some HEW officials by surprise because they didn't know of any programs or initiatives in progress that could accomplish the President's apparent goal.

The following day, Aug. 18, Schorr was called by Al Snyder, an aide to White House communications director Herbert G. Klein, and asked to a meeting "to get all the facts" on White House initiatives on parochial schools.

Present were presidential speechwriter Pat Buchanan, Terry Bell, then an assistant commissioner of education, and Henry Cashen, an aide to Charles Colson, special counsel to the President.

Schorr said the quartet reeled off information so rapidly that he could not absorb it. He asked them for a simple statement of the facts, and promised he would try to air their position after checking it with his original sources.

Although his sources dismissed much of the subsequent statement as "pie in the sky," Schorr said he went on the CBS Evening News with Walter Cronkite Friday, Aug. 20, with a story giving the White House position as well as a partial knockdown by his own sources.

The FBI investigation was started earlier the same day. Schorr's bureau chief, Bill Small, refused to turn over the correspondent's personnel file to the FBI agent in view of the fact that he could not learn what job might be in the offing.

But Schorr himself answered several routine questions about his background and then ended the interview. He said he told the agent: "This is funny. If a job is going to be offered, shouldn't I know about it?"

In addition to a background check by the FBI, standard procedure prior to a high government appointment is an investigation of the prospect's back tax records. It was learned that no such check was made on Schorr.

Schorr became more and more curious as the days went by, as friends and associates called him to report contacts with the FBI. Marjorie Hunter, a New York Times reporter and Schorr's neighbor, was queried.

Irving R. Levine, an NBC correspondent, was asked by agents about Schorr's behavior when he was CBS's Moscow correspondent from 1955 through 1957. Schorr's nephew, Ken, 18, said neighbors in New York were being asked about Schorr.

The White House official said last night that the FBI probe was initiated routinely by the office of Frederic V. Malek, chief White House recruiter.

Coincidentally, Malek and Schorr attended a dinner party together after the FBI investigation was begun. The correspondent asked Malek at the dinner if he really was under consideration for a job. Malek's reaction, Schorr said yesterday, was one of surprise. Malek told Schorr he would look into the matter and call him. Malek didn't call.

Schorr and the White House, and especially Colson, the President's special counsel, have been on the outs over Schorr's coverage of the wage-price freeze and Phase II of the government's economic plans.

Last Wednesday, after Schorr reported that the Pay Board was about to explode because of labor members' reaction to proposed guidelines, Colson called Frank Stanton, vice chairman of CBS, and complained that the report was inaccurate.

One version of the call is that Colson charged that Schorr had personally fed the story to the Washington Post and the New York Times, thereby compounding the inaccuracy. This version further alleges that when AFL–CIO President George Meany heard the Schorr television report he became so angry that he boycotted the Thursday session of the Pay Board.

Labor sources said yesterday Meany did miss the morning session, but it was because he had a doctor's appointment. The Washington Post story, written by Frank C. Porter, did not come from Schorr, according to Porter.

Stanton himself said he didn't recall enough of the conversation with Colson to be precise about it. But he said that he didn't think it would be fair to say that Colson complained vigorously about Schorr's report.

Following the coverage of the acceptance of mainland China into the United Nations, however, Colson complained to a Washington CBS official that the network had failed to show the jubilation of pro-Chinese nations after the crucial vote.

Sargent Carlton, director of governmental relations for CBS, said Colson's complaint was relayed to Salant in New York. Earlier that day, the White House had denounced as "shocking" the "demonstration of undisguised glee shown by some" U.N. delegates.

All that was clear last night was that Schorr was secure in his job at CBS, and that his chances, if he ever had any, for a high position of "trust and confidence" in the government, were dead.

BLASTS POSTAL SERVICE INTERFERENCE IN INVESTIGATION OF SECAUCUS BLUNDER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. NIX) is recognized for 10 minutes.

Mr. NIX. Mr. Speaker, as the Members of the House know, my subcommittee is conducting an investigation into the $60,000,000 cost overrun in the Secaucus, N.J., postal project. The Postal Service, according to the General Accounting Office, has managed in percentage terms to spend 109 percent more than it planned for the Secaucus project.

On November 9, General Rebh of the Army Corps of Engineers testified before my Subcommittee that the presence of methane gas which is highly explosive and inflammable has been discovered on the site and provision is now to be made to get rid of such gas. What is shocking about this disclosure is that the presence of gas was not discovered until a third of the cement floor of this project was laid down and no provision for the presence of this dangerous gas was made by the architect.

General Rebh testified that two individuals, who were employed by the Postal Service, a Mr. Garcia and a Mr. Cole, raised the question of methane gas with the Lester B. Knight Co., the architectural firm, very early in the history of the project.

The subcommittee asked for copies of documents which would show that this had happened. General Rebh promised on Tuesday to provide them. We have received them today.

These documents show that the architect should have known about methane gas and events prove that nothing was done about it.

But, we received a further surprise when the documents were handed over to us. They came to us, not from General Rebh, but were delivered by hand by a postal official. We have learned further that Mr. Henry Albert of the Postal Service congressional liaison staff insisted that the Army Corps of Engineers deliver these documents to the Postal Service under a previous agreement between the Postal Service and the Corps of Engineers.

This means that we do not know whether we have received the full information requested or not. We do not know whether this material has been censored by Mr. Albert.

I would like to remind the Postal Service that my subcommittee has the subpena power and we have the right to this information.

We will obtain all such information in the future by the subpena power to avoid the tainting of documents.

Subpenas will now be issued by myself as chairman of the subcommittee as a matter of course. I will not tolerate any interference with this investigation by anyone, including the Postal Service.

We will not stop searching for information until the entire Secaucus story is known.

U.S. FOREIGN AID: MYTHS AND REALITIES

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

Mr. PODELL. Mr. Speaker, the Nixon

administration solemnly promised the American people it would introduce creative new priorities. Belying that promise, the administration submitted to the Congress this year a foreign aid package which would perpetuate and further institutionalize a series of aged myths on foreign assistance which have made America a laughing stock in all corners of the world.

Myth No. 1 of the foreign aid establishment is the idea that the best way to combat Communist dictatorship is to shore up every non-Communist government with generous infusions of military and economic assistance. This myth takes no account of whether the government which is to receive the aid is itself repressive, reactionary, and a hindrance to economic and social justice in its country. It takes no account of whether a democratic government which was receiving U.S. aid was taken over by a clique of colonels in a military coup. In the name of fighting communism, our aid program has bolstered any dictator who was willing to mouth the necessary anti-Communist rhetoric and who automatically labeled as Communists any progressive, pro-democratic political opponents who sought to improve the living conditions of the country's impoverished masses.

This first myth on foreign aid conforms to a basic rule of "The Game of Nations" as set forth in an uncommonly perceptive article of that title by Richard Barnet in the current (November) issue of Harper's magazine. According to Barnet—

> All the world is the playing field. There are no spectators. Every nation, no matter how small, is a potential member of somebody's team. If it has not yet been chosen, then there is a "power vacuum" that you must exploit before the other team does.

This misguided theory holds that every anti-Communist regime, and every potentially anti-Communist regime, deserves American help.

The second myth on foreign aid states that the United States should provide recipient countries not only with money and hardware but also with a military assistance advisory group consisting of members of the U.S. Armed Forces. Give the dictators guns and planes, this theory says, and send American technicians and pilots to show them how to defend the existing government against what is glibly termed "Communist subversion." This myth has led us down the perilous path of military involvement in Indochina, the Dominican Republic, and elsewhere.

According to the third myth of the aid program, money given to the government of a foreign country will inevitably benefit broad segments of the country's population, including its submerged millions living at the subsistence level as serfs who labor and toil in order that a tiny minority of wealthy families may continue to enjoy their traditional luxuries. The meager results of the Alliance for Progress in raising the standards of living of peons in Latin America have punctured this myth beyond repair.

Myth No. 4 on foreign aid is the hypothesis that if you will only provide military and economic help to a country, that country's government will surely support you in the council chambers of the family of nations, will vote for your resolutions in the United Nations and will subscribe to your public policies on global issues. In the recent fiasco in the United Nations on the China question, recipients of U.S. aid not only voted against us—which was their privilege—but marked our stunning defeat with unseemly celebrations.

Indeed, the recent U.N. vote highlights an interesting phenomenon of the foreign aid game—that the recipients of foreign aid often harbor feelings of resentment against the donor. They express their feelings by attempting to publicly demonstrate their independence and freedom from the economic apron strings of the donor just as a small child will sometimes attempt to show his independence and prove his stature by disobeying his parents before members of his peer group.

I believe that the United Nations is big enough to accommodate mainland China and also the opponents of mainland China on the island of Taiwan. The people of Taiwan do not want to be represented by the followers of Mao Tse-tung, and I do not think their voice should be excluded from this international forum.

In the first U.N. vote this year on the admission of mainland China, a vote on the U.S. resolution declaring the expulsion of Nationalist China to be an important question, 74 member nations voted against the resolution or abstained. For 42 of these 74 nations, the administration's fiscal year 1972 foreign aid bill, defeated recently in the Senate, contained authorizations totaling approximately $1.5 billion.

During the last 25 years, the United States has given or loaned $9.5 billion to India in a special, large-scale effort to help that giant nation achieve economic takeoff. Despite the aid and attention we have lavished on her during the last quarter century, India has entered into close cooperation with the Soviet Union and taken numerous antiwestern stands. Currently, India is in the midst of a 5-year bilateral trade arrangement with the U.S.S.R., and on August 9 of this year, India signed a treaty of peace, friendship, and cooperation with Russia. Most of India's military hardware, including air force planes, come from Russia. India has taken a strong anti-Israel stand in the Middle East and maintains close relations with the United Arab Republic. During the same quarter-century, the United States gave or loaned $5.5 billion to Turkey and almost $4.5 billion to Pakistan. India, Turkey, and Pakistan all voted against the U.S. position on China.

With the announcement of the results of the vote in the United Nations, Myth No. 4—the myth that aid recipients will vote with you—came crashing to the ground. No one will ever be able to put this Humpty Dumpty back together again.

Myth No. 5 is the notion that the United States not only should contribute foreign aid but should be the prime contributor for our multilateral defense alliances, notably NATO. Our North Atlantic defense contribution is far out of line with what a fair distribution would call for. Other members of NATO are capable of coughing up a higher percentage of the organization's expenses. That only we can pay a high percentage is an outmoded illusion. We can no longer afford to play Santa Clause in this area of international life.

It is time that we faced up manfully to the falsity of these myths of foreign assistance. It is time to establish a genuine reordering of priorities in our overseas and domestic expenditures. We need to confront the realities of the United States role in world affairs in the 1970's.

The most important reality is that first call on our resources should be the improvement of the quality of life in America by the solution of the problems of poverty, unemployment, pollution, lowered standards of education, drug abuse and crime in the streets. We need to look inward first and foremost, and provide solutions primarily for our own pressing national problems.

To achieve this, we must become far more circumspect in our foreign aid program, rendering assistance to those nations that are truly our friends. Israel, a Western-oriented democracy surrounded by hostile authoritarian Arab regimes which are subsidized by the Soviet Union, is America's only true friend in the Middle East and is especially worthy of aid. The recent defeat of the foreign aid bill in the Senate deprived Israel of a $200 million grant-in-aid which would have been its first since 1964. It also killed House-approved individual allocations amounting to $20 million to be distributed among a dozen Israeli educational and civic institutions. I am hopeful that this aid will be restored in whatever foreign aid legislation is proposed for debate and vote.

The second reality of America's role in today's world is that the time is long past for the establishment of a multilateral international aid program in which the rich nations of the world will work together to offer humanitarian aid to the poor nations. An intergovernmental joint appeal with the great powers of the world—capitalist and Communist alike—contributing amounts proportional to their gross national product, would provide a far more effective approach than rival aid programs, which pit the Western world against the Communist nations. A joint multilateral foreign aid program of this kind could also play a role in establishing a basis for unity in our one-world spaceship.

Realizing the intransigence of the Soviet Union, we must be realistic enough to be aware that it is doubtful that such an idealistic program could be launched. If the Communist nations refuse to cooperate in such an endeavor, the United States would do well to organize and implement an intergovernmental joint appeal in conjunction with our Western allies. Such a program would place a less onerous burden of foreign aid on the already sagging shoulders of the American taxpayer. The Atlantic community of nations could administer this aid program through an already existing multilateral organization such as NATO.

The third reality is the experience we have had with our past military aid

policy, which clearly shows that U.S. defense assistance to foreign countries should be drastically reduced.

We should continue military aid to nations and international organizations such as NATO, that are necessary for maintaining our own strong defense posture. In addition, we need to provide military assistance for those nations that have shown themselves truly worthy of our support.

A sound basis for a revitalized and rational aid program can only be built if we are ready to recognize these realities and firmly reject, once and for all, the fatuous myths on foreign aid that have grown up since World War II.

SECOND THOUGHTS ON FOREIGN AID

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

Mr. MONAGAN. Mr. Speaker, I am pleased to see that the Senate has begun debate on a revised foreign aid bill and is therefore reconsidering its complete dismissal of the aid program. The bill passed by the Senate will most likely take a different shape from the House version—the Foreign Relations Committee has already separated economic assistance from military assistance—but it will assure that foreign aid will not die overnight. The Senate will now have a vehicle with which to go to conference with the House, and a temporary compromise measure can be devised. This compromise will allow the Congress to conduct a thorough examination and revision of the entire foreign aid program in terms of long-range goals and needs, which I have long advocated.

The Hartford Courant recently printed an excellent editorial on the status of foreign aid in the Senate. I offer that editorial, entitled, "Second Thoughts on Foreign Aid," for the consideration of my colleagues:

SECOND THOUGHTS ON FOREIGN AID

Whatever it was that the Senate was trying to get off its chest by rejecting the Administration's foreign aid authorization bill last week, that body now seems to be having second thoughts.

Despite prophecy that nothing would be done this session to revive the United States aid program, the Senate Foreign Relations Committee apparently is agreed some kind of stop-gap legislation is necessary, after all—that "presto-chango" is not the answer to issues and problems of foreign aid.

This of course is what President Nixon and the Pentagon both are saying and urging. The two pleas are going to be listened to somewhat differently. That is already plain. Senators are already drawing distinctions between economic and military aid. Indeed, it was partly the argument by liberal Senators that military aid is tending to cause wars and American involvement in them, which resulted in the Senate rejection of the aid bill the first time around.

It is the Pentagon's contention on the other hand that military aid is essential to American strategic planning. It is pointed out that the rejection of the aid bill will weaken President Nixon's hand as he prepares to visit Peking and Moscow. Or, as it was worded, "It is particularly important at this time in history when we are moving toward an era of negotiation that we cannot and should not dilute the incentive of those negotiating," by ending foreign assistance.

Whether these arguments are totally convincing to critics of foreign aid, they will probably come around to the view that such assistance cannot be ended chop-a-block, at least. Thus the prediction now is that some short-range aid will be continued, while long-range policy is being battled out in later Congressional sessions. That opponents of military-aid spending will continue to try to cut this to the bone, is obvious. That moves will be revived to embody in the bill some sort of Vietnam withdrawal date, can also be expected, even though similar moves in connection with other appropriations bills have been defeated.

But while it is entirely possible that varied sorts of Congressional "disillusionment" will radically alter foreign aid in the future, a Senate-House compromise on what to do for the moment is certainly in order. Even given the best of reasons, the Senate's utter dismissal of aid was an act of haste. Now is the time to have second thoughts, and if they are good ones, last week's no-aid stampede perhaps can be filed and forgotten.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. MCKEVITT (at the request of Mr. GERALD R. FORD), from 5:15 p.m. today, through November 17, on account of official business.

Mr. Moss, for period from 4 p.m., November 11, 1971, through November 15, 1971, on account of official business.

Mr. BARRETT (at the request of Mr. NIX), for Thursday, November 11, 1971, on account of 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. MCCOLLISTER), to revise and extend their remarks and to include extraneous matter to:

Mr. MILLER of Ohio, today, for 5 minutes.

Mr. KEMP, today, for 15 minutes.

The following Members (at the request of Mr. DENHOLM), to revise and extend their remarks and to include extraneous matter to:

Mr. ROSENTHAL, today, for 10 minutes.

Mr. ROY, today, for 20 minutes.

Mr. FLOOD, today, for 10 minutes.

Mr. ASPIN, today, for 15 minutes.

Mr. GONZALEZ, today, for 10 minutes.

Mr. JAMES V. STANTON, today, for 10 minutes.

Mr. NIX, today, for 10 minutes.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Appendix of the RECORD, or to revise and extend remarks, was granted to:

Mr. ASPINALL and to include an address by Representative WRIGHT.

Mr. ROGERS and to include extraneous matter.

Mr. GROSS to revise and extend his remarks on the District bill and include tables.

(The following Members (at the request of Mr. MCCOLLISTER), and to include extraneous matter:)

Mr. BURKE of Florida.
Mrs. HECKLER of Massachusetts.
Mr. DERWINSKI in four instances.
Mr. HILLIS.
Mr. THOMSON of Wisconsin.
Mr. HOSMER in two instances.
Mr. KEATING.
Mr. SCHMITZ in two instances.
Mr. BRAY in two instances.
Mr. WYATT.
Mr. ZWACH.
Mr. PRICE of Texas in four instances.
Mr. BROYHILL of Virginia.
Mr. SMITH of New York.
Mr. HUTCHINSON.
Mr. BOB WILSON in three instances.
Mr. ARCHER.
Mr. MCEWEN in five instances.
Mr. HANSEN of Idaho.

(The following Members (at the request of Mr. DENHOLM), and to include extraneous matter:)

Mr. RANGEL in three instances.
Mr. ICHORD in two instances.
Mr. COTTER in six instances.
Mr. DENT.
Mr. JACOBS.
Mr. BOLLING.
Mr. GONZALEZ in two instances.
Mr. FLOOD.
Mr. RARICK in three instances.
Mr. HELSTOSKI in five instances.
Mr. METCALFE.
Mr. FULTON of Tennessee in three instances.
Mr. ANDERSON of California in six instances.
Mr. ROGERS in five instances.
Mr. BROOKS.
Mr. BERGLAND.
Mr. MANN in six instances.
Mrs. SULLIVAN in three instances.
Mr. EVINS of Tennessee in two instances.
Mr. MAZZOLI.
Mr. FASCELL in two instances.
Mr. PURCELL.
Mr. VANIK.
Mr. RYAN in three instances.

ADJOURNMENT

Mr. DENHOLM. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 54 minutes p.m.), under its previous order, the House adjourned until Monday, November 15, 1971, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1281. A letter from the Attorney General, transmitting a report for fiscal year 1971 on the enforcement of title II (extortionate

credit transactions) of the Consumer Credit Protection Act of 1968; to the Committee on Banking and Currency.

1282. A letter from the Acting Secretary of the Treasury, transmitting a report on foreign credits by the U.S. Government as of December 31, 1970, pursuant to section 634 (f) of the Foreign Assistance Act of 1961, as amended; to the Comimttee on Foreign Affairs.

1283. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to declare that certain federally owned lands are held by the United States in trust for the Covelo Indian Community of the Round Valley Indian Reservation, Calif.; to the Committee on Interior and Insular Affairs.

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. HOLIFIELD: Committee on Government Operations. H.R. 8708. A bill to extend the authority of agency heads to draw checks in favor of financial organizations to other classes of recurring payments, and for other purposes; with an amendment (Rept. No. 92–665). Referred to the Committee of the Whole House on the State of the Union.

Mr. MAHON: Committee on Appropriations. H.R. 11731. A bill making appropriations for the Department of Defense for the fiscal year ending June 30, 1972, and for other purposes (Rept. No. 92–666). Referred to the Committee of the Whole House on the State of the Union.

Mr. SISK: Committee on Rules. House Resolution 704. Resolution providing for the consideration of H.R. 11731. A bill making appropriations for the Department of Defense for the fiscal year ending June 30, 1972, and for other purposes (Rept. No. 92–667). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of Illinois:

H.R. 11716. A bill to authorize a review of collective bargaining in the construction industry; the broadening of the geographical scope of collective bargaining for construction affecting interstate commerce; and the establishment of a Construction Industry Bargaining Commission; to the Committee on Education and Labor.

By Mr. ARCHER (for himself, Mr. COLLINS of Texas, Mr. ESHLEMAN, Mr. SCHMITZ, Mr. PRICE of Texas, and Mr. HALL):

H.R. 11717. A bill to repeal the Davis-Bacon Act and the Contract Work Hours Standards Act, and related provisions of law; to the Committee on Education and Labor.

By Mr. BERGLAND:

H.R. 11718. A bill to amend sections 9 and 11 of the Clayton Act, as amended, to provide for the continuance of the family farm and to prevent monopoly and for other purposes; to the Committee on the Judiciary.

By Mr. CHAMBERLAIN:

H.R. 11719. A bill to amend the Internal Revenue Code of 1954 so as to permit certain tax exempt organizations to engage in communications with legislative bodies, and committees and members thereof; to the Committee on Ways and Means.

By Mr. HELSTOSKI:

H.R. 11720. A bill to amend title 38 of the United States Code to authorize the enrollment of eligible veterans in a course offered by an educational institution which has moved to another location, provided certain conditions are met; to the Committee on Veterans' Affairs.

By Mr. KARTH:

H.R. 11721. A bill to amend the Postal Reorganization Act of 1970, Title 39, U.S.C. to eliminate certain restrictions on the rights of officers and employees of the Postal Service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. KEATING:

H.R. 11722. A bill to guarantee the right of criminal defendants to a speedy trial and to reduce crime and injustice by improving the supervision of persons released on bail and probation, and for other purposes; to the Committee on the Judiciary.

By Mr. MATSUNAGA (for himself, Mr. RHODES, Mr. STEIGER of Arizona, Mr. TEAGUE of Texas, Mr. UDALL, Mr. ANDERSON of Tennessee, Mr. BURTON, Mr. CASEY of Texas, Mr. COLLIER, Mr. DORN, Mr. DULSKI, Mr. GALLAGHER, Mrs. GRASSO, Mr. HALPERN, Mr. HECHLER of West Virginia, Mr. HELSTOSKI, Mr. HUNT, and Mr. JOHNSON of California):

H.R. 11723. A bill to authorize the Secretary of the Navy to provide shoreside facilities for the education and convenience of visitors to the United States Ship Arizona Memorial at Pearl Harbor; to the Committee on Armed Services.

By Mr. MATSUNAGA (for himself, Mr. STEIGER of Arizona, Mr. TEAGUE of Texas, Mr. UDALL, Mr. RHODES, Mr. KYROS, Mr. LATTA, Mr. LEGGETT, Mr. NIX, Mr. PICKLE, Mr. PIKE, Mr. PODELL, Mr. ROBERTS, Mr. RODINO, Mr. STRATTON, Mr. WIGGINS, Mr. WRIGHT, and Mr. YOUNG of Florida):

H.R. 11724. A bill to authorize the Secretary of the Navy to provide shoreside facilities for the education and convenience of visitors to the United States Ship Arizona Memorial at Pearl Harbor; to the Committee on Armed Services.

By Mr. MAZZOLI:

H.R. 11725. A bill relating to withholding, for purposes of the income tax imposed by certain cities, on the compensation of Federal employees; to the Committee on Ways and Means.

By Mr. PRICE of Texas:

H.R. 11726. A bill to provide for national cemeteries in the northwestern area of the State of Texas; to the Committee on Veterans' Affairs.

By Mr. ROSENTHAL:

H.R. 11727. A bill to provide Federal financial assistance to local governments for the training of parapolice personnel; to the Committee on the Judiciary.

By Mr. ROY (for himself, Mr. ROGERS, Mr. KYROS, Mr. PREYER of North Carolina, Mr. SYMINGTON, Mr. NELSEN, Mr. CARTER, and Mr. HASTINGS):

H.R. 11728. A bill to amend the Public Health Service Act to provide assistance and encouragement for the establishment and expansion of health maintenance organizations, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. TEAGUE of Texas:

H.R. 11729. A bill to provide for the conversion of Servicemen's Group Life Insurance to Veterans' Group Life Insurance, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. THONE:

H.R. 11730. A bill urging units and individual members of the armed services to engage in civic works; to the Committee on Armed Services.

By Mr. MAHON:

H.R. 11731. A bill making appropriations for the Department of Defense for the fiscal year ending June 30, 1972, and for other purposes.

By Mr. BINGHAM (for himself, Mr. BURTON, Mr. MIKVA, and Mr. MOSS):

H.R. 11732. A bill to amend the Fair Packaging and Labeling Act to provide that the commodity label required by that act must disclose the manufacturer's name and place of business, and packer's name and place of business if different from the manufacturer; to the Committee on Interstate and Foreign Commerce.

By Mr. CRANE (for himself, Mr. WAGGONNER, Mr. SIKES, Mr. BIAGGI, Mr. CHAPPELL, Mr. DULSKI, Mr. GOODLING, Mr. NICHOLS, Mr. POAGE, and Mr. THOMSON of Wisconsin):

H.R. 11733. A bill to limit U.S. contributions to the United Nations; to the Committee on Foreign Affairs.

By Mr. DONOHUE:

H.R. 11734. A bill to amend title 38 of the United States Code to increase the maximum burial and funeral expense payment for a veteran to $400 and to provide an additional allowance of not to exceed $150 for the purchase of a burial plot; to the Committee on Veterans' Affairs.

By Mr. DUNCAN:

H.R. 11735. A bill to suspend the duties on fluorspar until the close of January 1, 1974; to the Committee on Ways and Means.

By Mr. FISH:

H.R. 11736. A bill to provide incentives for the establishment of new or expanded job-producing industrial and commercial establishments in rural areas; to the Committee on Ways and Means.

By Mr. HAWKINS:

H.R. 11737. A bill to amend the tariff and trade laws of the United States to promote full employment and restore a diversified production base; to amend the Internal Revenue Code of 1954 to stem the outflow of U.S. capital, jobs, technology, and production, and for other purposes; to the Committee on Ways and Means.

By Mr. HÉBERT (for himself and Mr. ARENDS):

H.R. 11738. A bill to amend title 10, United States Code, to authorize the Secretary of Defense to lend certain equipment and to provide transportation and other services to the Boy Scouts of America in connection with the Boy Scout Jamborees, and for other purposes; to the Committee on Armed Services.

H.R. 11739. A bill to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment and provide certain services to the Boy Scouts of America for use in the 1973 National Jamboree, and for other purposes; to the Committee on Armed Services.

By Mr. JACOBS:

H.R. 11740. A bill to amend section 135 of title 4 of the District of Columbia Code to exclude the personnel records, home addresses, and telephone numbers of the officers and members of the Metropolitan Police Department of the District of Columbia from the records open to public inspection; to the Committee on the District of Columbia.

By Mr. PRICE of Texas:

H.R. 11741. A bill to amend the Federal Water Pollution Control Act; to the Committee on Public Works.

By Mr. ROGERS (for himself, Mr. KYROS, Mr. PREYER of North Carolina, Mr. SYMINGTON, Mr. ROY, Mr. NELSEN, Mr. CARTER, and Mr. HASTINGS):

H.R. 11742. A bill to provide for the prevention of sickle cell anemia; to the Committee on Interstate and Foreign Commerce.

By Mr. SAYLOR:

H.R. 11743. A bill to amend title III of the act of March 3, 1933, commonly referred to as the Buy American Act, with respect to determining when the cost of certain articles, materials, or supplies is unreasonable; to define when articles, materials, and supplies have been mined, produced, or manufactured in the United States; to make clear the right of any State to give preference to domestically produced goods in purchasing for public use, and for other purposes; to the Committee on Public Works.

H.R. 11744. A bill to provide incentives for the establishment of new or expanded job-producing industrial and commercial establishments in rural areas; to the Committee on Ways and Means.

By Mr. SPRINGER:

H.R. 11745. A bill to amend the Public Health Service Act so as to strengthen the National Cancer Institute and the National Institutes of Health in order to conquer cancer as soon as possible; to the Committee on Interstate and Foreign Commerce.

By Mr. YOUNG of Florida (for himself, Mr. GIBBONS, and Mr. HALEY):

H.R. 11746. A bill for the relief of certain cities, counties, and government agencies of the State of Florida to compensate them for costs in connection with a "red tide" occurrence; to the Committee on the Judiciary.

By Mr. BYRON (for himself and Mr. TEAGUE of Texas):

H.J. Res. 959. Joint resolution designating November 11 of each year as "Armistice Day"; to the Committee on the Judiciary.

By Mr. CARTER:

H.J. Res. 960. Joint resolution designating the American rose as the national floral emblem of the United States; to the Committee on House Administration.

By Mr. DRINAN (for himself, Mr. ABOUREZK, Mrs. ABZUG, Mr. ASPIN, Mr. BADILLO, Mr. BEGICH, Mr. BINGHAM, Mr. BURTON, Mrs. CHISHOLM, Mr. CONYERS, Mr. CORMAN, Mr. DELLUMS, Mr. DOW, Mr. ECKHARDT, Mr. EDWARDS of California, Mr. EILBERG, Mr. ESCH, Mr. WILLIAM D. FORD, Mr. FRASER, Mr. FRENZEL, Mrs. GRASSO, Mr. GUDE, Mr. HALPERN, Mr. HARRINGTON, and Mr. HAWKINS):

H.J. Res. 961. Joint resolution proposing an amendment to the Constitution of the United States lowering the age requirements for membership in the Houses of Congress; to the Committee on the Judiciary.

By Mr. DRINAN (for himself, Mr. HECHLER of West Virginia, Mr. HELSTOSKI, Mrs. HICKS of Massachusetts, Mr. JACOBS, Mr. LUJAN, Mr. MATSUNAGA, Mr. METCALFE, Mr. MIKVA, Mrs. MINK, Mr. MITCHELL, Mr. MOSS, Mr. PEPPER, Mr. PREYER of North Carolina, Mr. RAILSBACK, Mr. RANGEL, Mr. REES, Mr. REID of New York, Mr. ROSENTHAL, Mr. ROY, Mr. RYAN, Mr. SCHEUER, Mr. SEIBERLING, Mr. UDALL, and Mr. VANIK):

H.J. Res. 962. Joint resolution proposing an amendment to the Constitution of the United States lowering the age requirements for membership in the Houses of Congress; to the Committee on the Judiciary.

By Mr. DRINAN (for himself, Mr. WALDIE, and Mr. WOLFF):

H.J. Res. 963. Joint resolution proposing an amendment to the Constitution of the United States lowering the age requirements for membership in the Houses of Congress; to the Committee on the Judiciary.

By Mr. FISH:

H.J. Res. 964. Joint resolution to amend title 5 of the United States Code to provide for the designation of the 11th day of November of each year as Veterans Day; to the Committee on the Judiciary.

By Mr. PURCELL:

H.J. Res. 965. Joint resolution proposing an amendment to the Constitution of the United States lowering the age requirements for membership in the Houses of Congress; to the Committee on the Judiciary.

By Mr. YOUNG of Florida (for himself, Mr. ASHBROOK, Mr. ASPIN, Mr. BIAGGI, Mr. BURKE of Florida, Mr. CHAPPELL, Mr. COLLIER, Mr. DAVIS of South Carolina, Mr. DEVINE, Mr. EILBERG, Mr. ESHLEMAN, Mr. FISHER, Mr. FLYNT, Mr. FREY, Mr. HALPERN, Mr. HILLIS, Mr. HUNT, Mr. HUTCHINSON, and Mr. JOHNSON of Pennsylvania):

H.J. Res. 966. Joint resolution to amend title 5 of the United States Code to provide for the designation of the 11th day of November of each year as Veterans Day; to the Committee on the Judiciary.

By Mr. YOUNG of Florida (for himself, Mr. KEATING, Mr. KYL, Mr. MCCOLLISTER, Mr. MILLS of Maryland, Mr. MIZELL, Mr. MYERS, Mr. PIRNIE, Mr. POWELL, Mr. ROBERTS, Mr. RUNNELS, Mr. SAYLOR, Mr. SCHERLE, Mr. SEBELIUS, Mr. SHOUP, Mr. THOMSON of Wisconsin, Mr. THONE, Mr. WARE, and Mr. WRIGHT):

H.J. Res. 967. Joint resolution to amend title 5 of the United States Code to provide for the designation of the 11th day of November of each year as Veterans Day; to the Committee on the Judiciary.

By Mr. HUNGATE (for himself, Mr. ANDERSON of California, Mr. ANDREWS of North Dakota, Mr. BRASCO, Mr. BROWN of Michigan, Mr. BURLISON of Missouri, Mr. DANIELS of New Jersey, Mr. DENHOLM, Mr. DENT, Mr. DULSKI, Mr. EVINS of Tennessee, Mr. FASCELL, Mr. FOLEY, Mr. FULTON of Tennessee, Mr. GALIFIANAKIS, Mr. GETTYS, Mr. HAGAN, Mr. HANSEN of Idaho, Mr. HASTINGS, Mr. HATHAWAY, Mr. HELSTOSKI, Mrs. HICKS of Massachusetts, and Mr. HOGAN):

H. Con. Res. 454. Concurrent resolution urging review of the United Nations Charter; to the Committee on Foreign Affairs.

By Mr. HUNGATE (for himself, Mr. KEMP, Mr. KUYKENDALL, Mr. LENT, Mr. LINK, Mr. LONG of Maryland, Mr. MCCLORY, Mr. MATHIAS of California, Mr. MAZZOLI, Mr. MICHEL, Mr. MORSE, Mr. MURPHY of New York, Mr. PIKE, Mr. PREYER of North Carolina, Mr. ROY, Mr. RUNNELS, Mr. STEELE, Mr. VEYSEY, Mr. CHARLES H. WILSON, Mr. WYDLER, and Mr. YATES):

H. Con. Res. 455. Concurrent resolution urging review of the United Nations Charter; to the Committee on Foreign Affairs.

By Mr. RODINO:

H. Con. Res. 456. Concurrent resolution to relieve the suppression of Soviet Jewry; to the Committee on Foreign Affairs.

By Mr. RANDALL:

H. Con. Res. 457. Concurrent resolution requesting the President to proclaim the third Sunday of July in each year as Foster Parents' Day; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BRASCO:

H.R. 11747. A bill for the relief of Anthony M. Dalco; to the Committee on the Judiciary.

H.R. 11748. A bill for the relief of I. Allen Hanover; to the Committee on Post Office and Civil Service.

By Mr. DONOHUE:

H.R. 11749. A bill for the relief of 1st Lt. Thomas J. Tremba, U.S. Army; to the Committee on the Judiciary.

H.R. 11750. A bill for the relief of Lt. Col. Robert J. Grady, U.S. Air Force (retired); to the committee on the Judiciary.

By Mr. FUQUA:

H.R. 11751. A bill for the relief of the estate of Russell J. Davis; to the Committee on the Judiciary.

By Mr. RONCALIO:

H.R. 11752. A bill for the relief of Juan Leo De Herrera; to the Committee on the Judiciary.

SENATE—*Thursday, November 11, 1971*

The Senate met at 9 a.m. and was called to order by Hon. HAROLD E. HUGHES, a Senator from the State of Iowa.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Eternal God, who art above all and through all and in all, without whom life has no divine meaning or destiny, but with whom there is light and leading, power for the present and hope for the future, enter our waiting hearts and be near us when we need Thee throughout this day. As Thou didst guide our fathers, be to us a pillar of fire to guide us through the perils and darkness of the age to the haven of hope which is Thy kingdom. We pray now that the words of our mouths and the meditations of our hearts may be acceptable in Thy sight in this place on this day.

In the name of the Master of Life. Amen.

DESIGNATION OF THE ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. ELLENDER).

The second assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., November 11, 1971.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. HAROLD E. HUGHES, a Senator from the State of Iowa, to perform the duties of the Chair during my absence.

ALLEN J. ELLENDER,
President pro tempore.

Mr. HUGHES thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of