HOUSE OF REPRESENTATIVES—*Thursday, April 22, 1971*

The House met at 12 o'clock noon.

Rev. James F. Humphries, missionary associate, Southern Baptist Convention, Saigon, Vietnam, offered the following prayer:

Our Father, as we stand in this honored place today, we are reminded of those great men of bygone years who labored so faithfully to make our Nation what it is today. For the foundation upon which we stand we give Thee thanks.

Likewise we are reminded of our responsibilities for the present; of our responsibilities as elected leaders of this Nation; of our responsibilities as citizens of this Nation.

Grant to each of us wisdom, courage, and strength. Wisdom to discern, courage to act, strength to uphold.

Teach us Thy ways; and may we find grace sufficient to always render unto Caesar the things which are Caesar's and unto God the things which are God's.

In Jesus' name we pray. 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 PRESIDENT

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

MESSAGE FROM THE SENATE

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

S. 230. An Act to authorize the U.S. District Court for the Northern District of West Virginia to hold court at Morgantown.

The message also announced that the Vice President, pursuant to Public Law 86-420, appointed Mr. MANSFIELD, Mr. BYRD of West Virginia, Mr. JACKSON, Mr. BYRD of Virginia, Mr. MONTOYA, Mr. BENTSEN, Mr. CHILES, and Mr. AIKEN to attend, on the part of the Senate, the 11th Mexico-United States Interparliamentary Conference in Mexico, May 27 to June 1, 1971.

THE REVEREND JAMES F. HUMPHRIES

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

Mr. WRIGHT. Mr. Speaker, the House today was honored that the prayer could be offered by the Reverend James F. Humphries of my city of Fort Worth. The Reverend Humphries is a graduate of the Southwestern Baptist Theological Seminary at Fort Worth.

For the past 4 years he has been in Vietnam as minister of the English language Trinity Baptist Church of Saigon. He is here on leave, and will soon return for an additional 4 years in this important ministry.

I have taken this time, Mr. Speaker, in order to say a word of welcome to the Reverend Humphries, of whom those of us in our community and in our State are very proud, and to express to the House my pleasure that he could offer the prayer for the House today.

REV. JAMES F. HUMPHRIES

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

Mr. DORN. Mr. Speaker, may I join my distinguished colleague from Texas, Mr. WRIGHT, in welcoming to the House, Rev. James F. Humphries. I commend Reverend Humphries for his timely, inspiring, and beautiful prayer. Reverend Humphries, though born in Savannah, Ga., was reared in South Carolina. He spent much of his boyhood in Anderson, in my congressional district. He is a graduate of our great Baptist institution, Furman University in Greenville, and as my colleague stated attended the Southwestern Baptist Theological Seminary in Fort Worth, Tex.

His pastorate includes churches in Oklahoma and Texas. Reverend Humphries has rendered particularly outstanding service as a missionary to South Vietnam. He has ministered to our people and to a people who are struggling for freedom and human dignity. In South Vietnam he has served the cause of Christianity with dedication and devotion. He has served America and the cause of freedom in a splendid and superb manner.

Mr. Speaker, we are fortunate and pleased to have Reverend Humphries and his lovely family visit the Capitol today.

Mr. Speaker, Col. and Mrs. W. T. Moseley, are escorting Reverend Humphries on a tour of Capitol Hill. Colonel Moseley served in the U.S. Army for 29 years. He served in South Vietnam with honor and distinction.

This is truly a great day in the House we shall long remember. I wish Reverend Humphries and our patriotic friends Godspeed and the very best always.

INFLATION

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

Mr. ANDERSON of California. Mr. Speaker, there are many causes of inflation—high interest rates, excessive Government spending, the war—to name a few.

If we are going to stabilize prices, we must attack all of the causes of inflation—not simply single out a particular industry and accuse them of causing skyrocketing prices.

The construction industry has been accused of causing the rise in the costs of purchasing a home.

Mr. Speaker, the facts prove the opposite. From 1949 to 1969, the total wages and fringe benefits of onsite construction workers fell from 33 percent of the price of the home to 18 percent. Yet, the price of a home rose 110 percent during this 20-year period.

Who is to blame? The cost of land jumped 296 percent and the cost of financing a home rose 356 percent over this 20-year period. Land costs, which were 11 percent of the price of a home in 1949, are now 21 percent. Financing costs—formerly 5 percent of the costs of homeownership—are now 10 percent of the costs.

Mr. Speaker, I favor action to stabilize the economy, but we must realize that a balanced, fair and workable stabilization program must include overall restraints on all costs and prices—including profits, dividends, and capital gains—as well as wages, salaries, and rents.

HAPPY BIRTHDAY TURNER ROBERTSON

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

Mr. BOGGS. Mr. Speaker, I take this time to congratulate the chief page, Turner Robertson, who today is celebrating his 62d birthday.

Turner Robertson has been working with and for the Members of the House of Representatives for well over 32 years. He has been a devoted and faithful worker. I am sure I express the sentiments of all of us here when I wish for him not only a happy birthday today but many more in the future.

Mr. GERALD R. FORD. Mr. Speaker, will the gentleman yield?

Mr. BOGGS. I am happy to yield to the minority leader.

Mr. GERALD R. FORD. I am delighted to join in indicating the same sentiments that the gentleman from Louisiana has expressed concerning Turner Robertson. We on this side wish him the same warm, happy anniversary that those on your side wish him, and many more in the future.

Mr. BOGGS. I thank the gentleman.

IMPROVED MAIL SERVICE STANDARDS

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

minute and to revise and extend his remarks.)

Mr. NICHOLS. Mr. Speaker, until I read the news announcements from Postmaster General Winton M. Blount recently concerning improved mail service standards, I was beginning to feel that the postal service was like the weather—everybody talking about it, but nobody doing anything about it.

I was pleased to note in Mr. Blount's statements, however, that he is doing much more than talking—that he has an overall master plan already developed for several improvements. The first of these is, quite properly, designed to speed up the premium service—airmail—and at the same time to provide some assurance of dependability so we will know with reasonable certainty when our airmail letter will get to its destination. At the same time, we are assured that the postal service will do everything possible to speed it along the way.

Moreover, I understand that these new standards for airmail represent only minimum goals. Next-day delivery is promised between designated cities up to 600 miles apart, but probably we will find airmail reaching some cities next day as much as 1,500 or even 2,500 miles distant.

This is the kind of performance that the Congress hoped for in reorganizing the postal service. I am pleased to see Mr. Blount doing something about it instead of just talking about it.

TRIBUTE TO THE LATE HONORABLE BOB CHIPERFIELD

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

Mr. ARENDS. Mr. Speaker, during the Easter recess our country lost one of its finest public servants and my State of Illinois lost one of its most distinguished sons. On April 9 Bob Chiperfield, a former Member of this body and one of my good friends, passed away.

He first came to Congress in 1939. After 24 years of service he decided not to be a candidate for reelection. His length of service itself bespeaks the high quality of his representation of the people.

Bob Chiperfield was one of those all too rare individuals in public life who did not seek for himself honor or glory. Those of us who were privileged to know him and to work with him knew how in his quiet unassuming way the contribution he made to some of our country's most critical problems.

He served on the Committee on Foreign Affairs, and during the 83d Congress, 1953–54, he was the committee chairman. As ranking minority member of that committee and as its chairman he demonstrated statesmanship in the fullest sense. He took the position that politics stopped at the water's edge, and he gave our Presidents, Republican and Democrat, support. He did not take the politically expedient course. He supported foreign assistance programs when it would have been easier for him to oppose them.

With the passing of Bob Chiperfield our country has lost a true patriot and a real statesman who will live forever on the pages of history.

I am saddened by his passing and extend my deepest sympathy to his wife and son and daughter.

Mr. RAILSBACK. Mr. Speaker, I am sure that my colleagues and former Members of this body will be saddened to learn of the death of Robert B. Chiperfield on April 9, 1971, during the Easter recess. Bob Chiperfield served as a Member of this body for 24 years and was the last Republican chairman of the House Foreign Affairs Committee.

Bob Chiperfield was noted for his kind and considerate nature and I have benefited greatly from his advice on several occasions during my service as a State legislator in the Illinois General Assembly and as the Representative of the 19th District of Illinois. I came to know and appreciate Bob's kindness and helpfulness and I am indeed saddened by his passing. I extend my sincere sympathy to his wife and his son and daughter. Not only they, but the rest of the people in Illinois have lost a valuable leader and a member of a very distinguished family.

A native of Canton, Ill., Bob Chiperfield was the son of a former Member of Congress, Brig. Gen. Burnett Mitchell Chiperfield, who served in the 64th, 71st, and 72d Congresses as a Republican Representative from Illinois. Bob Chiperfield's great grandfather was Ossaim M. Ross, a pioneer settler of Fulton County and founder of Lewistown, Ill.

Bob Chiperfield was elected as a Republican Representative from what is now the 19th District of Illinois in 1938 and served as a Member of Congress for 24 years, from 1939 until he chose to retire and not run for reelection in November 1962.

He attended Phillips Exeter Academy in Exeter, N.H.; Knox College in Galesburg, Ill.; and graduated from Harvard University. He received his law degree in 1925 from Boston University. He was 71 at the time of his death.

Bob Chiperfield served on the Foreign Affairs Committee for nearly his entire time in Congress. He was ranking minority member for most of the 1950's and served as chairman during 1953 and 1954. He traveled to several foreign nations, was an observer at the United Nations, and was at one time offered an ambassadorship which he declined because of his wife's failing health and his duties on the Foreign Affairs Committee.

Following his retirement, Bob Chiperfield performed selflessly as an elder statesman for his native State of Illinois and for his chosen Republican Party. He was an active and energetic citizen until felled by a heart attack at age 71. We salute him and his wonderful career in public service and we extend our heartfelt sympathies to his family.

GENERAL LEAVE TO EXTEND

Mr. McKEVITT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the subject of the announcement by Congressman ARENDS of the death of former Congressman Robert Chiperfield.

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

There was no objection.

FIFTH ANNUAL REPORT OF DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, CALENDAR YEAR 1969—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 92–97)

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

To the Congress of the United States:

I transmit herewith the Fifth Annual Report of the Department of Housing and Urban Development for the calendar year 1969.

RICHARD NIXON.

THE WHITE HOUSE, *April 22, 1971.*

RESIGNATION AS MEMBER OF CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

The SPEAKER laid before the House the following communication, which was read:

APRIL 8, 1971.

HON. CARL ALBERT,
Speaker,
Washington, D.C.

DEAR MR. SPEAKER: Please accept my sincere appreciation for my appointment as a delegate to the 14th meeting of the Canada-United States Interparliamentary Group.

I regret, however, that present circumstances preclude my fulfillment of this responsibility. I, therefore, herewith submit my resignation.

My thanks, again to you, Ranking Minority Member William Maillard and House Minority Leader Gerald R. Ford for this appointment.

With kindnest personal regards.

Sincerely,

JOHN H. BUCHANAN, Jr.,
Member of Congress.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

APPOINTMENT AS MEMBER OF CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

The SPEAKER. Pursuant to the provisions of Section I, Public Law 86–42, the Chair appoints as a member of the U.S. delegation of the Canada-United States Interparliamentary Group the gentleman from Massachusetts (Mr. MORSE) to fill the existing vacancy thereon.

CALL OF THE HOUSE

Mr. HALL. Mr. Speaker, if it is the intention to proceed with the bill dealing with the public works program under the rule which the leadership did not see fit

to have discussed yesterday, I believe we should have a quorum present.

I, therefore, make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

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

A call of the House was ordered.

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

[Roll No. 65]

Abourezk	Dwyer	Mailliard
Alexander	Edwards, La.	Mathis, Ga.
Anderson, Ill.	Fascell	Murphy, Ill.
Anderson, Tenn.	Flynt	Nedzi
Andrews, Ala.	Foley	Peyser
Baring	Fuqua	Pickle
Bow	Gallagher	Rees
Brooks	Goodling	Reid, N.Y.
Brotzman	Gray	Roncalio
Brown, Mich.	Green, Pa.	Rooney, Pa.
Carey, N.Y.	Gubser	Rosenthal
Casey, Tex.	Halpern	Ryan
Clark	Harvey	Scheuer
Clay	Hays	Schwengel
Conyers	Hicks, Mass.	Sebelius
Corbett	Kazen	Shriver
Davis, Ga.	Kemp	Steele
Dellums	Kluczynski	Tiernan
Dent	Leggett	Veysey
Dow	Long, La.	Whalen
Dowdy	McCloskey	Whitehurst
	McCulloch	Wolff

The SPEAKER. On this rollcall 367 Members have answered to their names, a quorum.

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

PUBLIC WORKS ACCELERATION ACT, PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT, AND APPALACHIAN REGIONAL DEVELOPMENT ACT EXTENSIONS

Mr. BLATNIK. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 5376) to extend the Public Works Acceleration Act, the Public Works and Economic Development Act of 1965, and the Appalachian Regional Development Act of 1965.

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

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 5376, with Mr. SLACK in the Chair.

The Clerk read the title of the bill.

The CHAIRMAN. Before the committee rose on yesterday, it had agreed that title II of the committee amendment in the nature of a substitute, ending on page 15, line 16, would be considered as read and open to amendment at any point.

Are there any amendments to title II?

Mr. SMITH of Iowa. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I take this time to briefly ask the chairman of the committee a question for purposes of legislative history. In title II, under consideration, it provides that even neighborhoods, for example, a small cluster of houses not in a metropolitan area may qualify under certain conditions. I have in my district a neighborhood or a group of houses—that would meet the low-income requirement, and they need a water system. That is all they want. They do not want to be required to have some grandiose plan of development and so forth. The bill says in (B) at the bottom of page 13, that they must have "an overall economic development program." I want to know specifically would this neighborhood, by just wanting a water system, be able to qualify?

Mr. BLATNIK. Mr. Chairman, I have discussed this matter with the gentleman before. He does have a problem. I think we can help. First of all, if they are eligible under the eligibility requirements as listed in the bill we have, we can say this.

Mr. SMITH of Iowa. Let us assume they would be eligible as a low-income area.

Mr. BLATNIK. If they are eligible under this bill, there is no requirement for a complicated overall economic development program. The water needs are obvious and they are spelled out in clear detail, and the benefits to be derived therefrom can be clearly spelled out in rather short order, without any prolonged and complicated plan. There is a contribution to the community, by improving the quality of life and enchancing the economy of the area. Under this section the committee only requires a simple plan to expedite the procedure, so the community or neighborhood could be helped rapidly. There may be the possibility of help under the Department of Agriculture program.

We will check that out. We will definitely work with the gentleman.

Mr. SMITH of Iowa. That has already been checked, and they cannot qualify.

Mr. BLATNIK. They cannot qualify. Let me read, then, from the committee report on page 20.

Mr. SMITH of Iowa. They are not an incorporated area.

Mr. BLATNIK. It says:

> The Committee intends that the proposal for the overall economic development program required by section 401(a)(6)(B) with respect to areas designated under the authority of section 401(a)(6)(A), be in lieu of any requirement of any such program in section 401(b)(2) and section 202(b)(10). These new proposals should be narrower in their scope and acceptable in a shorter period of time than is the case for programs under the present procedure.

This reaffirms what I have previously told the gentleman.

Mr. SMITH of Iowa. I thank the gentleman.

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

Mr. SMITH of Iowa. I yield to the gentleman from Missouri.

Mr. HUNGATE. I should like to incorporate for reference the Stringtown community north of Wright City, Mo. I have the exact problem the gentleman has. I should like to have the attention of the chairman. This is apparently a common problem.

We have applied to HUD, FHA, SBA, OEO, and I think everything but the CIA has now turned us down.

This is about a mile and a half. There are some 50 families, practically all of whom are black, a factor which should enter into this today.

There is a program for everything, but there is nothing to reach these people. I know the chairman is looking at these problems. I hope he will devote particular attention to that one.

I thank the gentleman for yielding.

Mr. SMITH of Iowa. I thank the gentleman. I believe some of these communities fear that they will have to have some high-paid developer develop a grandiose plan, and all they want is a water system.

Mr. HUNGATE. That is right.

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

Mr. SMITH of Iowa. I yield to the gentleman from Missouri.

Mr. HALL. I appreciate the gentleman from Iowa yielding. I believe he has put his finger on a very important point.

In fact, I would go one step further, and I would say that these small communities which need help under the past or present law of the land, or the one we are passing, have now been constrained to seek approval by as many as seven different planning committees and/or State or Federal agencies, long-range planning organizations, the Environment Protective Organization and many others.

I had a letter in my office only yesterday where they had to have seven different approvals.

The actual fact of the matter is that the administration of the so-called long-range planning groups is in the saddle and riding the horse and has taken the ball away from the Federal agencies completely under the guidance of State administration in the various States.

I believe it is a very real problem. There is a real necessity for us to address this fact and take the automatic, complete, czar-like negative power away from the so-called long-range planning commission.

I believe in a long-range program. There is no argument about that. But I believe the gentleman has put his finger on a very salient point involving politics and control of Federal funds.

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

Mr. Chairman, I take this time in the interest of my colleague the Honorable J. J. PICKLE, who has a peculiar problem with regard to some of the counties in his particular congressional district.

The gentleman from Texas (Mr. PICKLE) has discussed this problem with members of the committee, including the distinguished chairman, the gentleman from Minnesota (Mr. BLATNIK). He initially had intended to offer an amendment to the bill today.

Mr. Chairman, I ask unanimous consent that the remarks of the gentleman

from Texas (Mr. PICKLE) may be printed in the RECORD at this point, as well as a copy of the amendment the gentleman would have offered initially.

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

Mr. HARSHA. Mr. Chairman, reserving the right to object, will the gentleman yield?

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

Mr. HARSHA. Is it the intention of the gentleman now standing to offer this as an amendment to the bill?

Mr. WRIGHT. No; the gentleman from Texas (Mr. PICKLE) asked me to bring it to the attention of the committee. He will not offer the amendment, nor will I offer the amendment. We have discussed it, and the gentleman from Texas (Mr. PICKLE) has agreed to come before our committee at a later time when we consider in detail any revisions we might wish to make in the eligibility qualifications to participate in this program.

Mr. Chairman, I wanted to direct some questions to some of the members of the committee with respect to this as I promised the gentleman from Texas (Mr. PICKLE) I would do. He is not able to be here. A longstanding commitment forced him to leave today. We thought we would have concluded the bill yesterday. He has agreed not to offer his amendment, and I shall not offer it in his stead.

Mr. HARSHA. Let me say to the gentleman that I want to commend our colleague, the gentleman from Texas (Mr. PICKLE), for what is a proper matter that he took up with some of the Members, and I believe it should be possibly passed. It goes to the changes in the basic law. We should have the benefit of the committee hearings on it and the benefit of the advice of the administration as to what effect it would have on the act itself. I want to commend him for taking this action to try to resolve his own problem.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas (Mr. WRIGHT)?

There was no objection.

The statement and amendment of Mr. PICKLE are as follows:

STATEMENT OF MR. PICKLE

Mr. Chairman, a long standing commitment prevents me from being here today for the continuation of the consideration of the Public Works and Economic Development Act, H.R. 5376. First, I would like to commend the Public Works Committee for their work on this legislation. Also, I want to salute the EDA's work as an effective government service. Although I am in support of the bill generally as reported by the Committee, I had intended to offer an amendment to the bill.

The idea of my amendment is to simply provide the Secretary of Commerce with discretion to designate as a redevelopment area an area that is within an economic development district but is not eligible for direct participation under Section 401 of the Act. The Secretary would base his judgment on the economic needs of the particular area. This amendment is aimed at areas that are suffering economic hardships, but do not quite meet the standards set out in the bill. The EDA program has cutoff points that decide whether an area is eligible for funds. These standards are necessary, but they should not be inflexible.

In my Congressional District there is a county that suffers from underemployment, but the rate of income is slightly too high for the county to be designated as a redevelopment area under Section 401 of the Act. This county has actively participated in an economic development district. They contributed to the staffing expenses of the district office, but they could not be selected for location of an EDA project. This amendment that I have drafted would give the Secretary the ability to say although this county does not meet to the letter the qualifications necessary, this area is suffering sufficient economic growth problems to be eligible for EDA projects, especially since as a member of a redevelopment district they are eligible for planning money.

As you know under current law, the EDA is authorized to designate a multi-county district when recommended by the governor of a state. When an economic unit is shown to exist, and when the core counties do meet the EDA criteria, then other adjoining counties may be included in a district.

Grouping of this nature generally benefits the core areas directly, through the approval of public works projects and business loans, and the adjoining areas indirectly. By and large it is a workable arrangement, but it is restrictive in that projects cannot be placed in non-eligible counties even though they might be utilized there.

My amendment would just allow some flexibility in this arrangement. When measuring economic need it is not always practical to set out certain cutoff points that cannot be adjusted.

My amendment differs from one I have considered in the past which would have said that all counties in a redevelopment district are eligible for EDA projects. My present proposal would only give the Secretary of Commerce the discretion to bend the guidelines as far as areas in a district are concerned. This change in my proposal answers the argument that we would be opening the door to non-eligible counties in a district that did not need aid.

Since the House adjourned on Wednesday before I could offer this amendment and since I was not able to attend today, my amendment unfortunately will not be offered. I have been told that the Public Works Committee intends to hold hearings this session at which time they will evaluate the whole EDA program. I have been assured that my amendment will be considered at that time. I would like for the RECORD to show my proposal.

AMENDMENT TO H.R. 5376, AS REPORTED—PROPOSED BY MR. PICKLE

Page 14, line 17, immediately after "Sec. 207." insert "(a)".

Page 14, after line 20, insert the following:

"(b) Section 403 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3171) is amended by adding at the end thereof the following new subsection:

"'(i) Notwithstanding any other provision of this Act any area within an economic development district designated in accordance with subsection (a) of this section which area is not eligible for designation as a redevelopment area under section 401 of this Act, may, in the discretion of the Secretary, be deemed to be a redevelopment area for the purpose of receiving financial assistance under all titles of this Act for so long as such area is within such economic development district, if the Secretary determines that the economic conditions of such area equitably require that it receive such assistance.'"

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

Mr. WRIGHT. I yield to my colleague from Oklahoma.

Mr. EDMONDSON. Mr. Chairman, I am personally pleased to hear the gentleman from Texas (Mr. WRIGHT) bring this question to the attention of the Committee of the Whole.

The gentleman from Texas (Mr. PICKLE) has, indeed, diligently contacted members of the committee on both sides of the aisle in support of his amendment and action to meet the problem it seeks to solve. I have a very keen appreciation and genuine sympathy for the situation that confronts him. I know all of us have some areas that we know from close personal knowledge have severe economic problems and genuine economic distress, but for one reason or another find it very difficult to produce the statistical material and the factual material to justify its designation under this law. I think the gentleman from Texas (Mr. PICKLE) has made a very strong case for this amendment, and I am grateful that he will be bringing the detailed presentation of it before the committee in the near future.

Mr. WRIGHT. I thank the gentleman for his comments.

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

Mr. WRIGHT. I yield to the distinguished chairman of the committee.

Mr. BLATNIK. May I reply to the question by saying that I have personally made a commitment and in good faith, and an earnest one, to the gentleman from Texas (Mr. PICKLE) who does really have a problem. Just as in any program you can accommodate most of the problems, but some are in borderline areas, not quite clear, sort of in a gray zone. The fact remains, however, that there is poverty and there is economic hardship in these areas, and the gentleman from Texas does have every justification for advancing and presenting his case. He has done it with great effectiveness. Again I repeat my pledge that when we do reconsider and review this act to see how it has worked and in what areas it is strong and weak, we will certainly give serious consideration to how we can help a problem area such as that of the gentleman from Texas (Mr. PICKLE).

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

AMENDMENT OFFERED BY MR. CLEVELAND

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

The Clerk read as follows:

Amendment offered by Mr. CLEVELAND: On page 13, line 17, strike out the word "abrupt."

The CHAIRMAN. The gentleman from New Hampshire is recognized for 5 minutes in support of his amendment.

Mr. CLEVELAND. Mr. Chairman, the

purpose of this amendment which is to strike out the word "abrupt" on line 17, page 13, is quite simple. Experience shows that when you have the closing of a mill, or a source of unemployment, many times it is a result of imports. Sometimes it is a result of technological changes, or sometimes, sad to say, it is the result of poor business management. Quite frequently, though, when you do have a mill that closes, and this has happened a good many times in my district, it does not close all at once. It dies a lingering death. To those Members of this House who have had mills close in their district, whether it is because of imports or because of some technological change, or perhaps adverse business conditions, or poor management, I hope you will bear in mind the important implications of this rather simple amendment.

It seems to me that if the major source of employment closes down or goes out of business slowly as imports increase or as the recession deepens they should be just as entitled to help as if there is a cataclysmic abrupt closing that happens overnight while the mill is fully employing as many people as it can.

It is certainly true that the committee attempted to cope with this particular problem to which I have alluded here by incorporating language in the report. But I am very much concerned that if we leave the word "abrupt" in the criteria for entitlement, the bureaucrats downtown may not go along with the language of the committee report.

I am afraid that, based upon the way this language reads they are going to require a closing of a mill where a lot of people are thrown out of work and not the situation which so frequently happens which is the slow, lingering death of a mill with a few people being laid off each week, finally culminating in the closing of the mill.

Mr. Chairman, for the people who have this particular problem which is unfortunately common to many parts of the country, I would hope that they would support this amendment, because by supporting this amendment it will make it crystal clear that a part of our policy in enacting this legislation is to recognize the slow, tortuous death of a mill by reason of imports or some other reason, as well as the more startling cataclysmic closing of a mill or business that is in full operation.

Therefore, Mr. Chairman, I would hope that the Committee would accept this amendment, because I think it is in accordance with the policy of this act which is to assist areas of unemployment and economic disadvantage.

Certainly, one of the problems that we are facing in many parts of the country, certainly in New England and parts of the South as well as the Middle West, has been the closing of mills by reason of imports that have crept up on an industry, resulting not in its going suddenly out of business, with an abrupt rise in unemployment, but a slow death, and the unemployment and lack of employment opportunities might not be considered as abrupt.

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

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

Mr. Chairman, I rise in opposition to the amendment and I want to say in opposition to it that it is a matter which the gentleman from New Hampshire (Mr. CLEVELAND) brought very, very forcefully to the attention of the committee when this bill was pending before the committee.

It was considered by the committee during the mark up of the bill. The committee felt very, very strongly that the matter could be handled and handled very adequately with the language which is now contained in the report.

I would like to direct the attention of the members of the Committee of the Whole House on the State of the Union to the language that appears on pages 20 and 21 of the report which is as follows:

> The committee further feels that the word "abrupt" should be interpreted in accordance with its broadest connotations and that it should include not only a sudden or immediate rise of unemployment but also a threatened rise of unemployment of such extent that its overall effect upon the community would be abrupt. For example, in those instances involving the closing of a large manufacturing complex, the unemployment caused within the community does not necessarily occur instantaneously since, in fact, the complete closing may take place over a prolonged period of time yet the effect of the announcement of the closing itself or the phasing out of the business over a period of time can produce abrupt and serious consequences to the community.

The committee feels in this situation, as it goes on to say in the report:

> Examples of this type of closing includes plants forced to shut down as a result of excessive imports or technological change.
>
> In addition to the foregoing, those areas where long-range commuting by the work force of an affected source of employment is involved, the areas designated for assistance may include not only the community in which the major source of employment is located, but also the area from which its work force is drawn, or any pocket of unemployment within such areas, which suffer such a loss or threatened abrupt rise of unemployment.

So the committee feels that the broad criteria that we have placed in this bill as a result of the amendment offered by the gentleman from Arkansas (Mr. HAMMERSCHMIDT) in the committee, have already greatly liberalized and enlarged the areas that will be covered by this legislation.

To eliminate entirely any time element in consideration of a threatened rise of unemployment, and to take this word "abrupt" out of the bill, would probably open the barn gate so wide that you would have practically a flood of applications coming in from those communities that actually are not facing any real threat of unemployment in the immediate future.

So, Mr. Chairman, I hope that there can be a retention of the language contained in the bill, and that there will be a defeat of the amendment offered by the gentleman from New Hampshire (Mr. CLEVELAND).

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

Mr. EDMONDSON. I yield to the gentleman from Minnesota.

Mr. BLATNIK. Mr. Chairman, I do not believe it can be stated any more clearly or precisely than has already been done so well by the very able gentleman from Oklahoma (Mr. EDMONDSON), but I did want to underscore in general terms that "abrupt" does not just mean an immediate, abrupt rise in unemployment, but has been clarified in the report, and I hope further clarified by this colloquy. It is our intent that the word "abrupt" would be that its construction shall be given the broadest connotation. The gentleman from Oklahoma has pointed this out very well when he read the language in the committee report on this section. I reaffirm that interpretation.

Therefore, Mr. Chairman, in my opinion the language contained in the report, and the description as given by the gentleman from Oklahoma, clearly protect the gentleman from New Hampshire, and I would hope that he will not insist upon his amendment.

Mr. EDMONDSON. Would the chairman agree with me that under the description of the conditions set forth by our good friend, the gentleman from New Hampshire (Mr. CLEVELAND), that the areas in his district which he has described to us in the committee and on the floor would have no difficulty qualifying despite the presence of this word "abrupt"?

Mr. BLATNIK. There is no question in my mind that on the basis of the explanation in the committee report on pages 20 and 21, that the gentleman would have no difficulty whatsoever.

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

Mr. EDMONDSON. I yield to the gentleman from New Hampshire.

Mr. CLEVELAND. Of course, it seems to me that if what the gentleman says is true, if the language in the report is going to cover it essentially, then we do not need the word "abrupt," and that is why, of course, I want to take that word out. I think you may have a bit more confidence than I do in the amount of latitude that a bureaucrat making a decision on an application might give to congressional intent.

Mr. EDMONDSON. May I say to the gentleman that we have a great deal of respect not only for the good sense and judgment of Secretary Podesta and the people working with him, but also for the influence of the gentleman from New Hampshire on those gentlemen.

Mr. CLEVELAND. Mr. Chairman, I appreciate the kind words of the gentleman from Oklahoma.

In view of the fact that I have the assurance of the chairman, I assume that if I do run into a situation where the use of the word "abrupt" is being used to deny an application of the type I have described, you will give me an immediate

hearing on legislation to correct the wrong; am I correct?

Mr. BLATNIK. We have made the assurance several times yesterday and do it again now, that as soon as the water pollution legislation, which has high priority and on which we plan to start hearings within a matter of weeks, are concluded. Then, the next item of business will be a total review of the EDA program and how it is working. At that time you will have ample opportunity further and you can be assured you are protected and covered under the interpretation here.

Mr. CLEVELAND. Mr. Chairman, with that assurance I ask unanimous consent that my amendment be withdrawn.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

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

The Clerk read as follows:

TITLE III—APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965

SEC. 301. This title may be cited as the "Appalachian Regional Development Act Amendments of 1971".

SEC. 302. The second sentence of subsection (b) of section 105 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 105) is amended to read as follows: "To carry out this section there is hereby authorized to be appropriated to the Commission, to be available until expended, not to exceed $1,900,000 for the two-fiscal-year period ending June 30, 1973, and not to exceed $1,900,000 for the two-fiscal-year period ending June 30, 1975. Not to exceed $475,000 of the authorization for any such two-year period shall be available for the expenses of the Federal Cochairman, his alternate, and his staff.".

SEC. 303. Paragraph (7) of section 106 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 106) is amended by striking out "1971" and inserting in lieu thereof "1975".

SEC. 304. Subsection (g) of section 201 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 106) is amended to read as follows:

"(g) To carry out this section, there is hereby authorized to be appropriated to the President, to be available until expended, $175,000,000 for the fiscal year ending June 30, 1971; $175,000,000 for the fiscal year ending June 30, 1972; $180,000,000 for the fiscal year ending June 30, 1973; $180,000,000 for the fiscal year ending June 30, 1974; $185,000,000 for the fiscal year ending June 30, 1975; $185,000,000 for the fiscal year ending June 30, 1976; $185,000,000 for the fiscal year ending June 30, 1977; and $180,000,000 for the fiscal year ending June 30, 1978."

SEC. 305. Subsection (b) of section 205 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 205) is amended to read as follows:

"(b) Notwithstanding any other provision of law, the Federal share of mining area restoration project costs carried out under subsection (a) of this section and conducted on lands other than federally owned lands shall not exceed 75 per centum of the total cost thereof. For the purposes of this section, such project costs may include the reasonable value (including donations) of planning, engineering, real property acquisition (limited to the reasonable value of the real property in its unreclaimed state and costs incidental to its acquisition, as determined by the Commission) and such other materials and services as may be required for such project."

SEC. 306. The first sentence of subsection (c) of section 214 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 214) is amended by striking out "December 31, 1970" and inserting in lieu thereof "December 31, 1974".

SEC. 307. Section 401 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 401) is amended to read as follows:

"SEC. 401. In addition to the appropriations authorized in section 105 for administrative expenses, and in section 201 for the Appalachian development highway system and local access roads, there is hereby authorized to be appropriated to the President, to be available until expended, to carry out this Act, $268,500,000 for the two-fiscal-year period ending June 30, 1971; $302,000,000 for the two-fiscal-year period ending June 30, 1973; and $314,000,000 for the two-fiscal-year period ending June 30, 1975."

SEC. 308. Section 405 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 405) is amended by striking out "1971." and inserting in lieu thereof "1975.".

SEC. 309. No person in the United States shall, on the ground of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance under the Appalachian Regional Development Act of 1965.

Mr. BLATNIK (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. Without objection, it is so ordered.

There was no objection.

AMENDMENT OFFERED BY MR. ROBISON OF NEW YORK

Mr. ROBISON of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROBISON of New York: On page 16, strike lines 11 through 24 and insert in lieu thereof the following:

"SEC. 304. Section 201 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 201) is amended as follows:

"'(1) The penultimate sentence of subsection (a) is amended to read as follows: "Construction on the development highway system shall not exceed two thousand seven hundred and sixty-five miles."'

"(2) Subsection (g) is amended to read as follows:

"'(g) To carry out this section, there is hereby authorized to be appropriated to the President, to be available until expended, $175,000,000 for the fiscal year ending June 30, 1971; $180,000,000 for the fiscal year ending June 30, 1972; $185,000,000 for the fiscal year ending June 30, 1973; $185,000,000 for the fiscal year ending June 30, 1974; $190,000,000 for the fiscal year ending June 30, 1975; $190,000,000 for the fiscal year ending June 30, 1976; $190,000,000 for the fiscal year ending June 30, 1977; and $185,000,000 for the fiscal year ending June 30, 1978.'"

Mr. ROBISON of New York. Mr. Chairman, it is my understanding that the construction of 2,700 miles of development highways is presently authorized for the Appalachian region; that all—or virtually all—of that mileage is presently allocated, and that the committee bill, as now before us, while it contains a further authorization of moneys believed necessary to complete that original highway system, does not provide for any additional mileage.

One such allocation of mileage has been made for a development highway, known as the Appalachian Thruway, and running through the Pennsylvania Valley corridor, so-called, from Cumberland, Md., as its southern terminus, on north through Pennsylvania and on into New York a few miles to Elmira, N.Y., as the present northerly terminus of this key developmental highway. At Elmira, this proposed road connects with New York State Route 17, a major highway running in an east-west direction through the southern tier counties of New York, as they are called, from New York City to Buffalo.

However, some 65 miles or so, in a northeasterly direction from Elmira—on a route running from Elmira through Ithaca, N.Y., and on to Cortland, N.Y.—lies Interstate Route 81, complete now from the Harrisburg, Pa., vicinity, through Scranton, in that State, on into New York through Binghamton, Cortland, Syracuse, and Watertown, to the Canadian border. This latter highway is a key portion of the Interstate System, and, from the standpoint of sound highway planning, it makes all sorts of sense for the Appalachian Thruway, now under construction, to connect with it and not end, as would now be the case, at Elmira.

In 1969, a study known as the Rust Report was made under contract with the EDA, and with the cooperation of both the Appalachian Regional Commission and the Appalachian Thruway Association, headquartered in Altoona, Pa. That study urged such a continuation, and connection with Interstate 81, of the developmental highway I have described to you, in terms indicating that, unless such a connection is eventually made, the affected region's projected economic growth would fall substantially below the 2½ times increase otherwise believed possible. As the Appalachian Thruway Association's bulletin for March of 1969 noted:

> Ending the corridor at Elmira would let the area to the north flounder and drastically reduce the degree of growth of the lower Thruway counties.

Mr. Chairman, this extension and interconnection is strongly supported by the affected communities in the 10 counties along the corridor. In the judgment of their citizens—as in mine—the highway in question will not achieve its maximum value without such an extension and interconnection; and, without it, we will have built, so to speak, a ladder to economic development in which the upper two rungs are missing.

As I have said, the additional mileage needed to accommodate such an extension is 65 miles, give or take a few. As best I can compute it, the estimated cost of such an extension which, let me point out, would be through three New York counties—Chemung, Tompkins, and Cortland—already designated as within the Appalachian region, would be about

$35 million in Appalachian highway moneys.

The amendment I offer, therefore, simply adds the necessary 65 miles to the presently authorized system for these purposes, and spreads the cost under this program over a 7-year period by adding $5 million a year to the committee's recommendation for highway purposes in the 7 fiscal years beginning with the one that ends on June 30, 1972, and ending with the fiscal year that ends on June 30, 1978.

I hope the amendment will meet with the approval of the committee—to whose members I have previously presented this problem—as well as with the approval of my colleagues, and I urge its adoption.

Mr. JONES of Alabama. Mr. Chairman, I rise in opposition to the amendment. I do so very reluctantly because I know the fervor and zeal with which the gentleman from New York, the author of the amendment, has worked for the Appalachian program and for this amendment. However, under the 1967 act, additional mileage was authorized to accommodate the State of New York, and since that time there has been no addition to the corridors. We have not received any request from the Commission or from any of the States to make additions to the Appalachian corridor highway system.

I would like to point out to my good friend from New York that under the Federal Aid Highway Act of 1970, we provided a national formula that can be utilized by the State of New York for this highway program the gentleman is advocating. By July 1, 1973, we change the formula for Federal aid highway construction can develop to 70–30. This will certainly help this highway he is talking about. He will receive as great assistance under this as he would under the Appalachia program. It seems to me this is the way to proceed.

I would think that if the gentleman is going to insist on additional mileage, he would open up the act to all the other 12 States who would than seek additional mileage.

Let us finish the program we now have underway—at a later date we may consider further mileage for Appalachia if the commission proposes.

Mr. ROBISON of New York. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman from New York.

Mr. ROBISON of New York. Mr. Chairman, the gentleman makes some telling points, of course. But the problem at the moment is that this road extension is sort of betwixt and between. It is being studied for inclusion under the Appalachian highway system, as the gentleman knows, by virtue of the EDA study, and also by virtue of continuing study by the regional commission itself. Under those circumstances, the State department of transportation generally says it will leave the question of the extension of this road from Elmira to Cortland, N.Y., up to the availability of Appalachian funds if they ever come. Today we are offered a 4-year extension, which is all well and good, but without any available miles or money for this extension this is eventually going to have to be done. This highway is left in limbo, then, so I have no alternative but to present my case here again.

Mr. JONES of Alabama. I do not share the fears of the gentleman from New York. I think the highway can be built under the new formula in the Federal-Aid Highway Act of 1970.

Mr. ROBISON of New York. Mr. Chairman, if the gentleman will yield further, that may be so, except for the fact that, insofar as I can find out from the regional commission, all of that original mileage is allocated and it does not have any more money to allocate to this extension, which is a proper extension in my judgment. That is my problem, and that is the purpose of the amendment.

Mr. JONES of Alabama. I understand. As I have said, it would certainly be a proposition that the State cochairmen should bring up on the agenda for discussion under any future proposals by the Appalachian Commission, so I think the gentleman is in a position of trying to develop the corridor in New York, under future needs. There would be the proper time to consider it.

Mr. ROBISON of New York. If the gentleman would yield further, my purpose, as the gentleman probably understands, is to help lay a foundation on the basis of which the committee, the Commission, and the regional Governors involved, will all continue to appreciate that we have a problem, and that good sound highway practice requires the problem to be solved, it seems to me, along the lines as suggested by my amendment. I am not, of course, going to be mad at anybody if the amendment is opposed or defeated, but I want to make sure that the door is kept open.

Mr. JONES of Alabama. I appreciate the gentleman's position, and I can assure the gentleman we will not be neglectful of his needs.

Mr. ROBISON of New York. Mr. Chairman, I thank the gentleman from Alabama.

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

Mr. JONES of Alabama. I yield to the gentleman from North Carolina.

Mr. TAYLOR. Mr. Chairman, has this additional road been approved by the Commission?

Mr. JONES of Alabama. No; that is what we were discussing. It has not been approved by the Commission.

Mr. TAYLOR. Mr. Chairman, I have in my district several counties that would like to add some additional mileage. I have taken it up with the Commission, and they tell me the time will come when they will study the whole matter of additional mileage, and they will consider it then, as far as additional mileage for here and there and yonder, additional requests. I do not think we should try to approach this now by piecemeal requests.

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

(By ananimous consent, Mr. JONES of Alabama was allowed to proceed for 1 additional minute.)

Mr. JONES of Alabama. Mr. Chairman, I yield to the gentleman from California (Mr. DON H. CLAUSEN).

Mr. DON H. CLAUSEN. Mr. Chairman, I thank the gentleman for yielding.

I am inclined to be very sympathetic with the amendment offered by the gentleman from New York. However, we are in the process of receiving information based upon a functional application needs study that is being coordinated by the American Association of State Highway Officials. I believe it will be more appropriate if we can give consideration to that particular matter at that time.

But I believe also we are going to be holding additional hearings on the Economic Development Administration programs, and it is conceivable that we could have the information at that time. I, for one, would be willing to listen to the gentleman's proposal at that time and give it some credence.

I would like to have a comment possibly from the chairman in that regard.

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

(By unanimous consent, Mr. JONES of Alabama was allowed to proceed for 1 additional minute.)

Mr. JONES of Alabama. Mr. Chairman, it is my feeling, as I have stated previously, that these problems must be considered in proper order. We have an authorized highway system to be developed for Appalachia and that should have first priority. At a later date we could then consider additional mileage if such is recommended by the various States and the Commission, itself. For the present time, let us complete the existing authorized Appalachian system so we can fully open up the region as we intended when we originally passed the act.

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

Mr. Chairman, it is my understanding there is some maneuvering going on in the Public Works Committee these days to provide another deal for downtown Washington known as a sports arena.

In this $3 or $4 billion bill we have before us this afternoon can some member of the committee advise me as to whether there is any money or authorization for another "white elephant" stadium, sports arena, or tourist center or something of that kind under the name of "Appalachia," that blessed name of "Appalachia," or anywhere else?

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

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

Mr. BLATNIK. The proposed center to which the gentleman makes reference is being considered for a study to determine alternative locations and methods of financing. This bill does not deal with this matter.

I can assure the gentleman from Iowa that in this bill there are neither mice nor white elephants, nor even any wood-

chucks. We have a good bill, and that goes for title III.

Mr. GROSS. What did the gentleman say about the bill?

Mr. BLATNIK. This is a good bill. There is no sports arena or any similar item in it.

Mr. GROSS. Is the gentleman saying inversely if the sports arena were in this bill it would not be a good bill?

Mr. BLATNIK. I am not commenting about the sports arena itself. I am talking about the bill here, as explained by the members of the committee. It is an excellent bill.

Mr. GROSS. I am glad to hear from my friend from Minnesota there is no money in this bill for that arena under the title of "Appalachia" or any other title.

Mr. BLATNIK. The gentleman is correct.

Mr. GROSS. I should like the Members to turn to page 16 of the bill. These authorizations call for committing the Congress for the next 8 years to an expenditure of $1,445,000,000, and if the sweetening just proposed by the amendment of the gentleman from New York is added, I do not know by how much it would be increased. It would be well above $1,445,000,000.

Why would you commit the Congress of the United States to put up $1,445,000,000 over a period of 8 years, when you have not the faintest idea of what the fiscal situation of this Government is going to be even 2 or 3 years from now?

How can you in good conscience commit the taxpayers of this country to that amount of money and for the construction of roads in a selected area of this country, to the exclusion of millions upon millions of taxpayers elsewhere across the country? It seems to me that a program of this kind requires, I will not say gall, but I think you are way out in left field. Would some member of the committee tell me on what basis you commit this Congress to the expenditure of $1,445,000,000 over a period of 8 years? If that question is not answerable, then let me ask why you provide in this bill that the Federal taxpayers pay 75 percent of the cost of restoration of cut-up land as the result of strip mining? Why do you saddle 75 percent of this cost upon the taxpayers of Iowa? Why are the mining companies not required to restore the land they mutilate?

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

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

Mr. RONCALIO. I speak with some degree of reticence because I have great respect for the gentleman in the well who is considered the conscience of the House. Second, I am a freshman member of the committee. However, I will answer the question if I may in this way: Why do not those in our society who do damage to the earth, become tried for their damage and become assessed for the cost of repairing the damage which has occurred since the beginning of the Nation? The Union Pacific Railroad came through my State, and the gentleman from Pennsylvania is here to hear this, and they dug coal mines and homes were built on top of them later and the ground there is caving in, causing the homes to fall in. If there is going to be any help given for this damage that has been done, it will have to come from the Treasury of the United States because the Union Pacific will not pay for it. I will be happy to join with the gentleman in the well and other Members in drafting legislation to compel those who have committed these damages, to restore the damages.

Mr. GROSS. That is hardly an answer to the question as to why this is done this way. Simply because we were negligent many years ago, or even a few years ago, does not excuse raping the taxpayers of the entire country to take care of situations of this kind.

Mr. Chairman, this is a continuation of special privilege legislation, it is committing Congress much too far in the future and it involves the expenditure of a huge amount of unbudgeted funds. I cannot support it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. ROBISON).

The amendment was rejected.

AMENDMENT OFFERED BY MR. M'EWEN

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

The Clerk read as follows:

Amendment offered by Mr. McEWEN: on page 18, after line 14, insert the following section:

"SEC. 310. That section 403 of the Appalachian Regional Development Act of 1965 is amended by striking out the clause relating to the counties in New York and inserting in lieu thereof the following:

" 'In New York, the counties of Allegany, Broome, Cattaraugus, Cayuga, Chautauqua, Chemung, Chenango, Clinton, Cortland, Delaware, Essex, Franklin, Fulton, Greene, Hamilton, Herkimer, Jefferson, Lewis, Madison, Montgomery, Oneida, Onondaga, Oswego, Otsego, St. Lawrence, Schoharie, Schuyler, Steuben, Tioga, Tompkins, Warren, and Washington.' "

Mr. GROSS. Mr. Chairman, will the gentleman yield for one quick question?

Mr. McEWEN. I would be happy to yield to the gentleman from Iowa.

Mr. GROSS. Are those counties in the United States?

Mr. McEWEN. I would say to the gentleman from Iowa that they are all in the United States. Some are rather adjacent to the neighboring country to the north, Canada, but they are in the United States.

Mr. Chairman, I would like to commend our reading clerk for the excellent job he did in reading some of these Indian names such as Cattaraugus, Cayuga, Chautauqua, and others.

Mr. Chairman, this is the amendment to which I referred yesterday when I said that I would offer at this time an amendment to add 18 counties in New York State to the Appalachian region.

Since then, I have had the opportunity of discussing this matter with my good friend and colleague for 6 years on the Public Works Committee, the distinguished chairman of the committee, the gentleman from Minnesota (Mr. BLATNIK), and my friend, the gentleman from Alabama (Mr. JONES), who chairs the subcommittee which considered this legislation.

Mr. Chairman, just briefly, let me give you some history as to why this amendment was discussed.

I am aware of the fact that areas, as the gentleman from Iowa has pointed out, such as these counties, leads one to wonder why it is that a certain part of the country should be eligible for programs such as the Appalachian program.

In the persuasive arguments that were made in 1965 when this program was adopted, evidence was presented that this Appalachian area had unique characteristics. First, that the topography was rough and rugged and that it would hinder the development of roads, and that it was plagued with outmigration and high unemployment.

Mr. Chairman, at that time a southern tier of counties in the State of New York was added to the Appalachian region, but the crowning glory of New York State, the Catskill and Adirondack Mountains were not included, although many, including my Governor, have felt that this area should be considered.

Let me read to the Members of the Committee of the Whole House on the State of the Union the counties in this amendment with reference to the most recent unemployment figures. I say to my dear friend, the gentleman from Minnesota, that I think this is illustrative of the situation which exists.

Cayuga, 10 percent; Clinton, 10.4 percent; Essex, 15.8 percent, and I say to my friend from Minnesota, that is the county that is a subject of a New York Times article that I placed in his hands just recently; Franklin County, 16.7 percent, which is the county that I referred to yesterday when I quoted from a news story that said "employment in the county reported up" but went on to say that unemployment was down to 15.8 percent; Fulton, 13.1 percent; Greene, 11.4 percent; Hamilton, 26.7 percent; Herkimer-Oneida, 8.1 percent; Jefferson, 11.1 percent: Lewis, 9 percent; Madison-Onondaga-Oswego, 6.1 percent; Montgomery, 8 percent; St. Lawrence, 8.9 percent; Oswego, 8.9 percent; Warren, 9.6 percent, and Washington-Warren, 7.5 percent.

Mr. Chairman, almost without exception, this entire area has higher unemployment than the national average and, in many areas, higher than the levels of counties now included in the Appalachian Commission.

Mr. Chairman, the President's report has pointed out that these counties have socioeconomic characteristics similar to the rest of the Appalachian region.

I would now briefly refer to two quotations from the message of the President that was sent to us last year and printed as House Document 91–367:

Without question, many of the counties of Upper New York suffer severe economic

distress. Sixteen counties outside the Appalachian region certainly qualify for aid under the Public Works and Economic Development Act of 1965.

Then, the report concludes:

There is sufficient economic justification to warrant the inclusion of portions of Upper New York State in an Economic Development region. Further, the socioeconomic orientation of the area in question appears to favor inclusion within the Appalachian region.

Mr. Chairman, I would like to ask my dear friend and colleague, the chairman of the Public Works Committee, in line with what we were discussing earlier here today, is it his intention that there will be, later this year, hearings held on the Public Works and Economic Development Act to consider amendments to that act and at that time would there be consideration given to the inclusion of additional counties in New York within the Appalachian region?

Mr. BLATNIK. Mr. Chairman, at the outset may I state to the gentleman that there is no question about the nature of the problem to which the gentleman refers, and may I also express my great sympathy to the gentleman because of that but, more than that, my determination to help in any way we can. However, we do not feel that this is the proper way to do this.

And if I may be permitted to continue——

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

(On request of Mr. BLATNIK, and by unanimous consent, Mr. MCEWEN was allowed to proceed for 2 additional minutes.)

Mr. BLATNIK. Mr. Chairman, if the gentleman will yield further, and referring to the President's studies, I refer to page 52, appendix B, entitled "Comments Submitted by the Appalachian Regional Commission." It is addressed to the Honorable Maurice H. Stans, Secretary of Commerce, and is dated May 8, 1970, not quite a year ago. The pertinent portions of the letter, which is a brief one, is signed by John B. Waters, Jr., the then Federal cochairman, and John D. Wisman, the then States' regional representative, and it says:

DEAR MR. SECRETARY: This is in response to the directive from President Nixon that the Appalachian Regional Commission provide its comments on the study, required under P.L. 91-123, which your Department has conducted concerning the relationship between the counties of northern New York State and the New England and Appalachian Regions as presently delineated under the Appalachian Regional Development Act and the Public Works and Economic Development Act.

It continues:

On the basis of its own analysis, this Commission believes that there is demonstrable evidence of special needs in the northern counties of New York State which would benefit from the kinds of approaches made possible through regional cooperation.

Here is the key statement:

Our analysis of commutation patterns and other social and economic relationships indicates that the northern counties of New York are preponderantly tied to the Mohawk and Upper Hudson Valleys and the Great Lakes Plain. This would indicate that proper regionalization of the area would incorporate most of upstate New York in one region.

This Commission agrees with the President in his call for national and regional growth policies designed to achieve more balanced patterns of national development.

What they suggest is obviously a new mechanism such as a commission like one of the five we have already created in the Economic Development Act Commissions such as the Upper Great Lakes, the Ozarks, the Four Corners, New England, and the Southeastern Coastal Plains Area.

May I again state to the gentleman that we will definitely review EDA. We will definitely review your problem in great detail. We hope by then to have more detailed recommendations or comments from the Governors working through Gov. Arch Moore, who is now the State cochairman of the Appalachian Commission. At that time we can make a determination of what is the best mechanism with which to deal with this serious problem involving a number of counties.

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

(On request of Mr. BLATNIK, and by unanimous consent, Mr. MCEWEN was allowed to proceed for 2 additional minutes.)

Mr. MCEWEN. In my conversation with my dear friend and colleague earlier today, I understood the gentleman to indicate that it would be a proper subject for his hearings to consider this area for an addition to Appalachia. I realize it could be considered as an EDA region also.

Mr. BLATNIK. Or a new commission.

Mr. MCEWEN. But it could be considered for the Appalachian region.

Mr. BLATNIK. Yes; it could as well as a complete new region under FDA.

Mr. MCEWEN. I think this report, to which we have both referred, the message from the President, House Document No. 91-367, does make a very good case that this is mountainous terrain, and I would call the attention of the gentleman to this map which shows some of the topography of this area, and there are mountains in almost all of it, and that it does lend itself, as the report says, because its socioeconomic characteristics are quite similar to those of Appalachia to inclusion in that regional commission.

Then as I understand it, the chairman of the committee is telling me that hearings will be held, and that consideration will be given to this area of New York State.

May I say to the gentleman that, while we are pleased with the progress of the Appalachia Commission in the southern tier of New York, we believe that these additional counties, 12 of which are fully eligible under all titles of the EDA, should be included in the Appalachian region.

I read a list of the unemployment figures, so the gentleman knows what the situation is.

Mr. BLATNIK. The gentleman has made that clear and there is no doubt about the critical need for aid to the counties to which he has referred.

The only difference in this is the mechanism we should use to help these counties—shall we add them to Appalachia—shall they be a separate commission? This problem will be reviewed fully when we consider in greater detail economic development and at that time a determination will be made as to what is the best way to help these counties.

Mr. MCEWEN. I thank the distinguished gentleman for his assurance.

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

Mr. MCEWEN. I am happy to yield to the distinguished dean of the House, the gentleman from New York (Mr. CELLER).

Mr. CELLER. Mr. Chairman, the dialog we have just heard between the gentleman from Minnesota and the gentleman from New York tokens genuine comfort to the members of the New York delegation. It is in line with the very distinguished service that has been rendered by the chairman of the committee, the gentleman from Minnesota and his eminent colleague on the committee, the gentleman from Alabama (Mr. JONES). They have realized the importance of this amendment and they have agreed to something in the nature of a compromise which I am sure will redound to the decided advantage of the State of New York.

Mr. Chairman, it is now incumbent upon the Governor of our Empire State to take up the cudgels and vigilantly follow the lead suggested by this dialog.

I am quite convinced from what we have heard from the very distinguished gentleman from New York who now has the floor that the commission mentioned in this dialog will recognize the legitimacy of the claim of the State of New York to include those counties within our Appalachian region.

Mr. DON H. CLAUSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to add to what the chairman has said, the gentleman from New York (Mr. MCEWEN) has been very diligent in advancing his request to the committee. I believe the gentleman feels the contiguous counties that are bordering other areas in the Appalachian region that have a similar problem should be included in the regional highway development program. I think it is totally unfair not to give consideration to those counties. By the same token you cannot jeopardize the funding requirements of other counties in the Appalachian region.

I am pleased to hear the assurances of our chairman that this matter will be again reviewed by our committee. I believe once we hold these hearings, we will then, in fact, be able to give consideration not only to his request but also to requests such as those of the gentleman from Pennsylvania (Mr. SAYLOR).

I want to assure my friend from New York (Mr. MCEWEN) that as the ranking Republican on this subcommittee, I will

do every thing possible to assist him in accomplishing his stated objectives. His exemplary service on our committee and the economic problems of his constituency are deserving of the earliest possible consideration.

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

Mr. DON H. CLAUSEN. I yield to the gentleman.

Mr. McEWEN. Mr. Chairman, I thank my friend, the gentleman from California for yielding and thank him for his remarks just made on this subject.

Mr. Chairman, I ask unanimous consent to withdraw my amendment on the basis of the assurances given by the chairman of the committee, the gentleman from Minnesota (Mr. BLATNIK).

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

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

Mr. Chairman, I shall not take the 5 minutes, but just to pursue the statement by my distinguished chairman that he has every intention of reviewing the EDA and the Appalachian region, plus other title commissions, at that time would it be in order for any governor of any of the States within the Appalachian region to recommend the addition of other counties to Appalachia?

Mr. BLATNIK. I cannot quite respond, although I am inclined to be sympathetic. But to be fair, it is a rather broad, sweeping question and I hesitate to respond to such a broad, sweeping inquiry over which I may have no control. But this I can say, to the gentleman, who is a very valuable member of the committee—he would be given a full hearing on any problems that he may have in any areas of his State.

If he will work with his Governor and the State agencies, we will give you in advance any staff assistance we can. Whether the question involves EDA or Appalachia, we will give you all the assistance we can so that the gentleman will have an opportunity to present a full case to the committee. Then the committee will make its own determination.

Mr. MIZELL. I wanted to be clear on that point, Mr. Chairman, because if I understood the gentleman correctly, he made the statement to the gentleman from New York that at the time the committee reviews the question, that would be the proper time to ask that these other counties be added, and I just wanted to make sure that an option will be open to any State representative to make a presentation.

Mr. BLATNIK. The option will be open. I do urge that you have a well documented case to present. I am sure that in his own case the gentleman will have a well documented case in support of his proposition when he makes his presentation to the committee, and we shall assist him in that preparation.

Mr. MIZELL. I thank the Chairman.

I would like to direct a question to the Chairman of the subcommittee, my good friend from Alabama, so that I might be completely clear on this point. It is my understanding that under present law the governors of the States in Appalachia have the right at this time to make a study and to recommend any counties that they think should be included in Appalachia under present law.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. MIZELL. I am happy to yield to the gentleman from Alabama.

Mr. JONES of Alabama. Let me say to my distinguished friend that I appreciate his problem. I would point out the following: That under the Appalachian Regional Development Act, under section 403 of that act, the procedure for including new counties is spelled out as follows, and I quote directly from the law:

> No recommendation for any change in the definition of the Appalachian region as set forth in this section shall be proposed or considered by the Commission without a prior resolution by the Committee on Public Works of the Senate or of the House of Representatives, directing a study of such change.

Thus, it is obvious that the only way a change can be made to the region is by first a resolution by the Public Works Committee of the House or the Senate, directing such a study. However, there is nothing to prevent the Governors from testifying before the committee, or having their representatives appear and present statements to the committee, urging the inclusion of additional counties for the committee to consider.

Mr. MIZELL. I thank my distinguished chairman of the subcommittee for his clarification of this point. I for one would think that all of us in the Appalachian region owe the gentleman from Alabama and all of those working with him a debt of gratitude for bringing about a program that has done so much in our States.

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

Mr. Chairman, I rise to urge the inclusion of an additional 18 New York counties under the Appalachian Regional Development Act of 1965. The President's authorized upper New York study urges this broadening of this Federal assistance program to these additional counties.

Mr. Chairman, I presently have within my 28th Congressional District in New York, three counties already included under the Appalachian Regional Development Act. These are Delaware, Otsego, and Schoharie Counties. The 18 counties covered by this amendment include two additional counties from my nine-county district. These are Montgomery and Greene Counties. At the present time there is no criteria of poverty, of unemployment, of human economic need which divides Delaware, Otsego, or Schoharie County from Montgomery and Greene Counties except that the first three receive additional assistance from the Federal Government, while the latter two do not.

Unemployment is as high in one county as the next, the need is as great in one as the other. For example, those counties presently sitting under the shelter of the Appalachian Regional Act's financial assistance umbrella show unemployment rates, as of February 1, 1971, of 8 percent for Delaware County, 8.9 percent for Otsego, and 11.1 percent for Schoharie. Certainly these rates are extremely high in relation to the average unemployment of the United States, yet in February, Montgomery County showed an unemployment rate of 8 percent, while Greene County had an official 14.1 percent of its total work force unemployed.

Mr. Chairman, the counties of Greene and Montgomery need the highway assistance, the public works assistance, the help with sewer, water, and hospital facilities, and vocational training precisely as much as their neighboring counties of Schoharie, Otsego, and Delaware. As a matter of fact, the unemployment statistics alone which I have just quoted indicate that Greene County needs this help far more. Like Otsego, Delaware, and Schoharie, Montgomery, and Greene have reached a point where it is economically impossible for them to pull themselves up unaided by their own economic bootstraps. If it could have been done, it would have been done. I know these counties intimately, and I can assure you these counties have done everything possible to help themselves. They do not have these high unemployment rates because these people do not want to work, but because there is no work to do.

It is, I think, worth noting that the high unemployment rate reflects what can be called only the tip of the iceberg of social want. It represents only those people now out of work who were eligible for unemployment benefits. It does not reflect those hundreds who are not eligible, or those who have exhausted their unemployment benefits. Nor does it begin to reflect the underemployed or the underpaid.

It fails totally to give a true idea of the deteriorated condition of the physical plant in these counties—the basic capital investment required in any community for highways, schools, hospitals, and sewer and water facilities which is essential for a community if it is to generate not only the amenities, but even the barest necessities of life for its citizens.

Although aggravated by the present economic downturn, high unemployment in these counties, and the reasons for that unemployment are chronic. It is not something that can be cured by just another general business upturn, as it has been there during every business upturn for the last quarter of a century. In fact, over the long pull, rather than improving, the inertia of localized economic slowdown pulls them ever lower each year, quite independently of any general business boom.

As an example of this, in 1966, at a time of peak economic activity, when New York State adopted a medicaid law that provided free medical assistance for any family of four the net income of which did not exceed somewhat over

$6,000, 87 percent of the population of Greene County, or approximately 26,000 people, were eligible. Fortunately, only something under 2,000 actually applied. Even so, the county share of this cost drove the county tax up approximately $1,000,000 short of being double the highest tax peak ever attained in that county before. Because of these problems the county has had to institute a 2-percent local sales tax—an added regressive tax which aggravated and accelerated the slide toward lower incomes, lessened job opportunities, and delapidated housing.

Mr. Chairman, there can be little meaning to the people of these chronically depressed areas to know they live in the wealthiest Nation in the history of civilization, when their illnesses are treated in inadequate medical facilities, their children attend school in overcrowded or antiquated buildings, they drive to work, when there is work available, over deteriorating roads, while they live in housing that, in spite of their best efforts, deteriorates every year. Certainly inclusion in Appalachia will not solve all these problems. But it could mean the necessary boost to reverse the decades-old downward economic spiral that has led to these ills. It should help the citizens of these areas to at last start moving toward some of the benfits of 20th century living enjoyed by so many of their fellow citizens.

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

Mr. Chairman, I merely wish to make some brief comments. I appreciate the participation, the contributions, and the attendance of so many Members on both sides of the aisle during consideration of what I think will be a program of great value, not merely an expedient, not just a band-aid for the immediate few months or years of our economic problem, but one which will bring both immediate and long-term benefits to this Nation.

This program of accelerated public works and economic development, if properly reviewed together with our review of other programs, including water pollution control, will bring us to the further realization of the contribution it can make to our well-being by stopping the migration from our rural and smaller communities, which adds to the problems of our larger cities.

I would like to see this Congress consider H.R. 5376 as an initial, preliminary basis for what should be and ought to be in time, a not too far distant time, a national policy for a concerted effort by the Federal Government to exert influence and support, in cooperation with the States and local governments to encourage people to live where they are now living. The provisions of title I can assist not only in dealing with the problems of unemployment in many of our rural areas, but also can make these communities more desirable for people to live in and to attract industry. The control of pollution in its various forms can be dealt with much easier if we revitalize our smaller communities than when we continue to add to the population of our large cities. Too much of our population is now concentrated along our coasts and in a few major metropolitan areas.

Certainly, if it is at all possible, we have to slow the outward migration of people who really want to live where they are living, in lovely areas where there is a minimum of pollution and where there is a minimum of crime and where there is a minimum of drug addiction, and where they have nice, comfortable homes. We can do that if we can only provide economic opportunities, opportunities for vocational training, and opportunities for education including junior colleges. In short, with the report which will be due soon on the population and its distribution, we will begin to give serious consideration to what will happen to this Nation in the next 30 years.

The population will increase in the next 30 years, and with it an outflow of the population to the cities, so that by the year 2000, we could easily reach the point where we will find 85 percent of our population crammed into and piled up on top of each other in about 15 percent of our land area. Then we will have to try to remedy the problems and diseases that set in with pollution of all forms and congestion and substandard housing and the other problems we face in the large metropolitan areas such as New York City.

I merely want to express our appreciation for the efforts of the gentleman from California for repeatedly calling our attention to this matter.

The enactment of the Accelerated Public Works Act Amendments of 1971 will also represent clear evidence to all that this Congress intends to attack unemployment problems now confronting so many areas of this country. And in doing so, we do not intend to embark on any leaf-raking project. There are too many planned public works projects that can add to the wealth of our communities and, at the same time, provide the source of gainful employment.

In closing, let me again emphasize that one of the most important problems facing this Nation is to find some means of decentralizing our population and avoiding the constant growth of our seaboard cities and our other large metropolitan areas. Every program that comes before the House Public Works Committee will be reviewed from the point of view of what it can contribute to a better balanced population and an improvement in the quality of life. In this way, the committee will be able to present to this great body programs that will help develop our Nation for decades ahead and generations yet to be born.

Mr. DON H. CLAUSEN. Mr. Chairman, will the gentleman yield?

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

Mr. DON H. CLAUSEN. Mr. Chairman, I thank the gentleman for his remarks. As the chairman of our committee and all members of the committee know, as I have served on this Public Works Committee, I have constantly hammered away on the theme that the answer to the urban problems and ills in this country is to give recognition to the problems of rural America.

As I view what has happened, the costs of providing services to people as they have migrated to the metropolitan areas have contributed substantially to the total inflationary problem. We have to face this migration problem and change the direction so that people in the sparsely populated areas will have the same opportunities for jobs as those living in metropolitan areas. The country definitely needs to have a population balance if for no other reason than internal security, with the threats we face today.

I greatly appreciate the fact that this committee has recently held hearings and will develop what I think will be a balanced economic growth pattern and a pattern for balanced growth for the future that will give us an opportunity for balanced development throughout our country.

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

Mr. BLATNIK. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. Mr. Chairman, I commend the chairman of the committee for the great job he has done to bring this bill to the floor.

I want to ask the Chairman if he agrees with me that despite all the talk we have heard about the 22- and 24-month delays on this bill in terms of accelerated public works projects really getting going, there is no real reason why we cannot have people working on projects under the accelerated public works programs in a very few months if there is a real desire to get this going?

Mr. BLATNIK. I think we can in very short order, and with very sound and economically well-conceived projects.

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

Mr. Chairman, I would like to direct these remarks to the gentleman from Oklahoma (Mr. EDMONDSON). In 1962, we had a House of Representatives that supported the act, and we had a Senate that supported the act, and we had an administration that wanted the bill and supported the act and expedited every effort to get it funded and implemented. Also, we did not have any statutory delays, which we are now confronted with.

We now have an administration that is opposed to it. We also do not know what the other body is going to do on it. Under these former most favorable circumstances, why did it take 2 to 3 years to get the full impact from whatever we got out of the 1962 act?

If that occurred under those most favorable circumstances, then how do we expect that we will get more immediate relief under the present circumstances?

Mr. EDMONDSON. Mr. Chairman, does the gentleman want an answer? Will the gentleman yield?

Mr. HARSHA. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. When we passed the 1962 act it was 2 years before there was a national election. When we pass this act it is not going to be 2 years, it is going to be just about a year. I believe the President of the United States is going to see the need to move these projects rapidly.

Even in 1962 we had over $63 million worth of projects within a few months.

Mr. HARSHA. Is the gentleman saying it took an election to move the Kennedy administration?

Mr. GROSS. Mr. Chairman, I move to strike the first word or the last word.

Mr. Chairman, all I want to say is it is my fervent hope that the Appalachia "gravy train" is to continue to operate; that it will run long enough so that the citizens of the rest of the country can crawl on and take a ride.

Mr. FLOOD. Mr. Chairman, I rise today in support of H.R. 5376 which brings within its scope the Public Works Acceleration Act; Public Works and Economic Development Act; and Appalachian Regional Development Act extensions. The honorable chairman and members of the Public Works Committee are to be congratulated on their thorough and expeditious handling of the bill, which in the future will be looked upon with as much favor as have been the original acts which we seek to extend today.

As cosponsor of the accelerated public works bill, which has been reported to the House as title I of H.R. 5376, I realize the glorious history which this legislation has enjoyed, the present need for its extension, and the promise for the future which it holds out to beleaguered communities throughout the Nation.

In 1962, the 87th Congress met the needs of a nation troubled with a stagnant economy, facing high levels of unemployment, and with State and local governments in dire need of public facilities which they had been unable to finance on their own. The Congress authorized the appropriation of $900 million to undertake Federal projects under this act and provided the "transfusion" which an unhealthy nation required to gain back its vigor. Responding as the Congress had anticipated, the Nation embarked on a grand program of increasing employment in areas of greatest need and helping communities provide urgently needed facilities such as water and sewer works, hospitals, road improvements, public buildings, and the like. Over 1,500 sewage treatment plants, vital in the fight against expanding pollution, were built through this program as were thousands of community buildings. The same Public Works Acceleration Act generated approximately 210,000 man-years of work in a period when such employment was desperately needed. The result was 7 years of uninterrupted economic growth.

The needs of the present call for the extension of this successful program. Faced with "substantial unemployment" in numerous sectors of the country; with a backlog of public works projects ready for construction; and with an economy which could clearly use another "transfusion" similar to that given in 1962, the House would do well to extend this program.

Mr. Chairman, the Public Works and Economic Development Act of 1965 had great impact upon my district, helping it climb out of the despair of unemployment and underemployment which were at substantial levels. An outgrowth of the Public Works Acceleration Act and the Area Redevelopment Act, it provided the necessary long-range planning and programing which is so vital to economic development. Furthermore, it provided for grants for public works and development facilities on the local level where the short-term impact on employment was highly effective.

The experience gained by the Public Works Acceleration Act and Area Redevelopment Act has shown that areas faced with unemployment rates twice the national average; with communities deprived of their most vital natural resource through outmigration of residents in search of work; and faced with the inability to finance public improvements desperately needed, can still be revitalized economically. The Economic Development Act recognized these factors and planned and executed a successful program.

As stated by President Johnson on March 25, 1965:

> It is not enough to simply finance projects. These projects must be part of a comprehensive plan to build a viable economy.

The Economic Development Act had such a plan and exercised it. By providing grants and loans to designated areas for community facility improvements; by providing for water and sewerage extensions to industrial parks; by providing for airport improvements; and by providing for the extension of vocational training centers, the act initiated and maintained a constant and vigorous activity for the public good.

In addition to public works grants and loans, the Economic Development Act makes industrial development loans designed to help business acquire new land, buildings, machinery, and equipment resulting in more jobs for depressed areas. The act extends aid not only to the business community at large, but makes special effort to enter the central city, the "urban core," where unemployment is a chronic condition. Through technical assistance programs the Economic Development Act provides an attraction for private enterprise to locate in the center city and furthermore, encourages local, low-income minority groups into entrepreneurship.

I have firsthand knowledge of the help which the act can provide. In my district, the Economic Development Act approved and assisted in a project to coordinate the waste disposal system on a regional basis. We are all well aware of the ravages of pollution which modern economy has thrust upon industrial society; and the EDA aid to the Wyoming Valley Sanitary Authority in my district was of paramount importance. Grants and assistance through the Economic Development Act allowed the fight against culm-bank fires to be fought with much success in an area despoiled by such fires.

These problems are continuing ones. Pollution, unemployment, and community despair are conquerable, but only if continuing efforts are made to do so. The Economic Development Act is a powerful weapon in the fight and should be extended.

Mr. Chairman, the Appalachian Regional Development Act has been short in life but long in providing sorely needed help to distressed areas. In 1965, when the Congress passed the original bill, the term "Appalachia" was synonymous with every type of economic poverty and ruination familiar to modern man. With the advent of the Appalachian Regional Commission and the other aspects of the Appalachian Regional Development Act, great strides have been taken to reverse these trends.

Programs of vocational training have doubled the manpower training needs in the area. New innovations in health delivery services have been developed through the comprehensive health demonstration program. Thousands of new housing units have been initiated under the Appalachian housing program. Were it not for the extra assistance provided by the supplemental grant program of the Appalachian Regional Development Act, nearly 1,000 projects in health, education, water pollution control, libraries, airports, and other forms of public improvement would have not become the realities they are today.

Appalachia is an area that is rich in resources. It is known the world over for its coal, gas, oil, and many other natural riches. Because of its natural wealth, it has suffered the pains of the extraction of that wealth from the land. My own district is as good an example you could find of an area trying to overcome the problems of past mining—the scars on the land, the piles of mine waste, the underground and surface mine fires, and acid mine drainage pollution. The people of my district have fought valiantly to end these problems and the assistance to the Appalachian Regional Development Act has been invaluable. One of the first projects under the act was to combat the Laurel Run mine fires at a cost of nearly $4 million. This is merely an investment in ourselves. The saving of our cities from the scourge of devastating mine subsidence which in the past has damaged or destroyed many of our homes, businesses, and public facilities will be returned many times. The property that will be saved by these projects more than repays our investment. Through the act, the completed mine fire projects will protect 227,000 people and $842.5 million in property. The mine subsidence projects will save $85 million in property. The projects now awaiting approval will save another $100,000,000 in property.

Coupled with the extension of the Public Works Acceleration Act and the Public Works and Economic Development Act, the Appalachian Regional Development Act extension would provide a powerful boost to our Nation's general welfare. Following the philosophy of President Kennedy, "Even a journey of

a thousand miles must begin with one step," the Congress has taken the initial steps to invigorate our urban and rural economies; to provide assistance on the State and local level for the construction of public facilities; to provide jobs for our workers; and to train those without work. The journey must not end here—it is a continuing one, and the Congress should facilitate that journey through the extension of this legislation.

Mr. DE LA GRAZA. Mr. Chairman, I strongly support H.R. 5376, the Public Works Acceleration Act and related matters.

The problems of my area are acute and, unfortunately, almost chronic due to the fact that we are basically a farming and ranching area.

Mr. Chairman, to emphasize my reasons, let me show you how my area has lost population. By 1970 census we have the following counties and degree of population loss: Jim Hogg, —7.3 percent; Zapata, —0.9 percent; Willacy, —22.5 percent; Cameron, —7.1 percent; Kenedy, —23.3 percent; Brooks, —7 percent. The rate of unemployment is no better. Please allow me to cite you a few statistics for some counties in my district.

The annual rate of unemployment in Starr County for 1970 was 13.8 percent and during the months of October, November, and December of that same year the rate was 11.6 percent, 15.6 percent, 21.6 percent, respectively. Now we know how important any source of income is to a family during these months preceding the Christmas holidays.

Willacy County shows an annual unemployment rate of 7.9 percent; Zapata County 13.8 percent.

The lowest rate is Hidalgo County and that shows 6.4 percent. We then have a further problem. When there is employment it is at a low wage in most instances. Therefore, you can plainly see my reasons for supporting this legislation and very respectfully urging all my colleagues to do likewise. As I have told you before, we have a responsibility to these people.

I do not want you to get the impression that we are not trying to attract industry, to attract private enterprise, to provide the badly needed jobs. We are, many of us are, working daily toward this end but the Government also has a responsibility to these people, and let me assure you, the greater majority of them would prefer employment to welfare.

Again, I strongly urge you to join with me in support of this legislation for the above reasons, and further for what benefits this legislation can provide besides the jobs. We need, badly, hospitals in some of my counties. We need rural water supply programs, sewer, waste disposal, and so forth, so we provide help for the people in creating employment and at the same time providing many badly needed public facilities.

Mr. BURKE of Massachusetts. Mr. Chairman, I rise with the rest of my compassionate and farseeing colleagues in support of the accelerated public works bill. Owing to the importance of the current deliberations of the Ways and Means Committee on the omnibus H.R. 1, it was not possible for me to participate to the extent that I would have wished in yesterday's discussion. But the proposed legislation is so important that I did not want to let this debate conclude without recording myself as strongly in favor of what it sets out to do. At the same time, I want to single out for especial commendation the hard-working chairman of the Public Works Committee, my distinguished and good friend, JOHN BLATNIK, for the speed and efficiency with which he has directed the fate of this bill to date and brought it before our attention this week. It demonstrates his concern for the human problems which the bill is designed to alleviate, before any more time goes by. Why prolong suffering when we can make a significant attempt to do something today? As was indicated yesterday, there is a log-jam of projects which could be started with minimal delay—projects for which there is a crying need.

Those who argue that this will "create" jobs just do not know what they are talking about. There is plenty of work to be done in this country. Each of the projects that the chairman referred to yesterday have already been studied and decisions made that they are worthwhile. What has been lacking are the funds and/or the determination on the part of the administration to carry them through. What better way to begin to attack this Nation's unemployment problem here and now than to spend money in a way which would get the money into the economy as rapidly as possible and at the same time help us to get caught up with needed public works projects? If the rumors that the President will veto this are true, then he will have on his shoulder once again the responsibility for flying in the face of majority sentiment in this country, of sitting back and doing nothing to reduce the ever-growing unemployment roles around this Nation.

I am particularly anxious to rise today to underscore the seriousness of the unemployment situation in my own district. The thing that struck me in reading the RECORD this morning is that it presents a firsthand accounting by individual Members of the human problems created underlying the clinical phrase tossed about so lightly by administration economists, "high unemployment areas." Member after Member rose yesterday to relate what this phrase really means by recounting the real problems in community after community across this Nation. The story they had to tell was hardly reassuring, but it is nevertheless an accurate picture of the problems confronting major American communities the length and breadth of this country in the year 1971. What more compelling evidence does a Member of Congress need in making up his mind how he will vote on this bill than that offered yesterday? By directing public expenditures at an accelerated rate into areas of higher than average unemployment, we would be using our national resources, which are after all limited, in the most constructive way possible in combating unemployment. By delving behind the average unemployment figure and pinpointing community after community which lives with a higher rate than the national average, the Members yesterday gave the lie to any comfort or reassurance that anyone might possibly be able to take from a national average of 6 percent. The Commonwealth of Massachusetts, as a State, is higher than the national average, with a rate of 7.3 percent the month of February. Translated into numbers, 184,600 people were unemployed. The city of Brockton, which I so proudly represent, has seen the rate jump from 6.2 percent a year ago to 8.9 percent. I know from firsthand experience that this is an intolerable situation.

No one who is voting for this bill, least of all myself, would be prepared to argue that it will solve the unemployment problem. But it does at least make a contribution to the solution of the problem by releasing millions of dollars in the immediate future. An economist would find it difficult to find a more effective way of injecting money into the economy in a manner calculated to yield a higher multiplier than by accelerating public works projects. In other words, what is at stake here is not a mere $2 billion, significant as that might be, but a return of several-fold, several times this figure. There are other areas where Congress can be of help in the absence of executive initiative. Technical conversion bills are slated for consideration by this House. Needed trade reform legislation should be on the agenda this Congress which would curb the present unchecked flooding of our domestic markets with cheap foreign imports. Congress can continue to keep up the pressure on the administration to cease and desist from its arbitrary impounding of funds appropriated by Congress for deserving projects. But let us take these steps one at a time. The matter before us today is H.R. 5376 and it offers us the most immediate way of making a dent in the present unemployment crisis.

Mr. HOWARD. Mr. Chairman, I congratulate the chairman of the Public Works Committee for his leadership and his foresight in bringing the Public Works Acceleration Act Amendments of 1971 to the floor today.

I am sure that, as in my own case, Members returning from this recess are aware that unemployment represents a serious problem to many Americans. I also know that my correspondence for the past several months has also given added evidence of this concern. Today, 6 percent of our working population is unemployed and about 25 percent of the industrial capacity is unused. Resources, both human and physical are being wasted. Yet, there is hardly a community in the Nation that is not in need of public facilities such as hospitals, nursing homes, sewers, waste treatment, and other public facilities to meet its present needs—let alone the increased requirement to meet our expanding population. Many of these projects are planned and only the inability of the State or local community to finance them keeps these projects from getting underway.

In 1962, public works construction was used as one of the means of dealing with our unemployment problem and reduc-

ing the heavy outlay of funds for unemployment compensation and welfare payments. The Accelerated Public Works Act of 1962 came into being as a means of assisting in meeting our unemployment problem by making an investment in public facilities.

I am confident that, as in 1962, the 1971 amendments before us today will assist us in meeting our present employment problem. However, I recognize that the construction of public facilities can only be a part of a comprehensive economic program; other measures will also be required. But I firmly believe that the enactment of this bill will start us in the right direction.

Mr. LEGGETT. Mr. Chairman, in the last 2 years unemployment has risen in this great Nation from 3.4 to 6 percent until now we have 5.2 million workers who are unable to find employment. Although the administration has issued an optimistic prognosis for the coming 18 months, I find myself haunted by statements of a similar nature for the past 12 months in which the economy was at a virtual standstill. What is needed is immediate action to turn the economy around and head it back on the road to full employment. The Public Works Acceleration Amendments of 1971 will provide this.

The key to its potential is that it can provide an immediate shot in the arm to areas where unemployment is greatest. And, it can do this at the same time we provide vitally needed public services.

There is now a backlog of applications of nearly $6 billion of Federal funds from communities throughout the Nation to assist in the construction of more than 6,000 waste treatment plants, water and sewer projects, hospitals, and public health centers. Half of these projects are at the stage where immediate construction is possible.

This bill provides for $2 billion for accelerated public works in areas of unemployment greater than 6 percent. This would now include more than one-third of the counties of the United States.

In 1962, when this approach to economic recovery was applied in a similar situation, it was a big factor in the upswing of the economy. It provided increased employment, stimulated local economics, and encouraged private industry to expand.

This program will not be a panacea for all the economic ills of 1971, but it can be a positive step that will get immediate results in stabilizing the economy and providing assistance where it is needed most, at the level of the unemployed.

Two billion dollars is a great deal of money to spend for anything. But if it is necessary to spend this vast sum I can think of no better investment than to invest it in the people of the United States.

There can be no greater frustration to an individual than being eager to work but unable to find a job to support himself and his family. Giving these persons the means to regain their self-respect and to become a productive segment of society is a vital factor in my support of this legislation.

However, my support does not end there. I also fully support the work that these men will be doing. The project will not be make work, but well-planned efforts to restore our environment and prevent its further deterioration. They will improve the basic quality of life available to each of us.

Not only will this legislation give us a sounder economy, but it will qualitatively improve our lives in many cases by: Providing water to areas that are short of water; treating water where it has become polluted; building hospital facilities in areas where they are overcrowded; and many other vital areas.

Mr. WAMPLER. Mr. Chairman, the most visable feature of the Appalachian program has been Federal-State cooperation, but as important has been the great surge forward in local cooperation which has resulted from this program.

There will never be enough appropriations to do everything required in every community in Appalachia or in any other region of the country. That is why Congress directed the Appalachian Commission to encourage groups of counties in Appalachia to work together in planning and developing area water systems, area sanitation systems, area-serving industrial parks, areawide cooperation in education and health.

Section 302 of the statute authorized the Appalachian Regional Commission to contribute up to 75 percent of the administrative costs of multicounty development organizations. The boundaries of the multicounty areas were to be planned by the States and their organizations were to be chartered by the States. The regional plan of the Appalachian Commission calls for 63 such multicounty areas in all of Appalachia. Today, there are over 50 development districts in operation. While they have a variety of forms, they are generally designed to bring together locally elected officials and private citizens from the local area to plan the future of the area.

It is not the Federal Government, but the States and localities themselves that determined the type of organization and the policies and programs required to cope with the problems besetting their area. A general review of their plans today is encouraging. Many districts are now planning multicounty services that are far lower in cost per taxpayer than if each jurisdiction had attempted to meet these needs on its own. School districts are cooperating in new education cooperatives to pool the costs of administrative overhead, provide expanded faculty and equipment and provide programs to upgrade the quality of teachers. Health councils in selected districts are carrying out comprehensive areawide programs, some of which are the best of their kind in the country. Multicounty solid waste disposal programs are getting underway eliminating many of the diseases caused in the past by pollution and garbage left in the streams and along the roadways. New areawide housing projects have been started. Areawide cooperation in law enforcement is increasingly common. But perhaps most importantly, cooperation among the towns and counties in developing industrial parks has assured the most efficient expenditure of funds.

One mayor has remarked that the land of the Hatfields and the McCoys is now one of the best examples of community cooperation in the Nation. Towns and counties are helping each other in attracting and developing industry and the tax dollar is going further.

The expenditures that have been made so far in encouraging these efforts have been investments well made.

My own district provides a good example. We have one of the oldest multicounty districts in Appalachia—the Lenowisco Development District which embraces the three counties of Lee, Wise, and Scott Counties and the independent city of Norton.

The county and city cooperation which has resulted from Lenowisco has been nothing short of remarkable and great things have been accomplished. The role of the Appalachian program in all this has been essential.

By combining the resources of the counties, Norton, the Commonwealth of Virginia, and Appalachian and other Federal funds, we are close to completing a full network of vocational-technical training schools and a network of public health centers and hospitals. We have an educational cooperative underway covering Dickinson County as well.

The three counties and Norton, through Lenowisco, formed the Duffield Development Authority to develop a new industrial area on the Appalachian Development Highway. Funds from the counties, the State, the Appalachian Commission, the Economic Development Administration, and the Tennesse Valley Authority are being used to develop the site. And we already have our first employer locating at the site.

The people of my area believe, with results like these, that the Appalachian regional development program and the fruits that have flowed from it, is the best thing that has happened in a long time in terms of the help it offers us to dig out from under our past problems and build the kind of future we want.

Mr. PEYSER. Mr. Chairman, the Public Works Acceleration Act, H.R. 5376, which will provide money for public works projects, such as waste treatment plants, water and sewers, hospitals, nursing homes, and public health centers just to name a few, will provide a valuable stimulus to our economy and enable many local communities who are experiencing a shortage of funds to complete these much needed facilities.

This bill will also provide a stimulus to the economy of any area in which the unemployment is expected to reach 6 percent within 2 months. I feel that this provision is excellent insurance against any regional areas of unemployment.

H.R. 5376 will place more money in the local economy, help suppliers, result in additional jobs and provide vital and needed public facilities. I wholeheartedly support it and feel it will certainly help our economy.

Mr. DELLENBACK. Mr. Chairman, the Public Works Acceleration Act would create job opportunities in areas which are suffering inordinately high rates of unemployment.

A soundly conceived public works project is a tremendously valuable capital investment which will yield benefits year after year to the local area in which

it is situated. In so doing it strengthens the Nation. When we can combine with that type of long-range value the additional short-range value of desperately needed immediate economic aid, we are doing something doubly valuable.

This is a crash program of Federal grant assistance to enable economically depressed areas to make public works facilities improvements needed to create lasting job opportunities. It is a concept which has proved sound and workable in other times of high unemployment.

The district which I represent is heavily dependent upon the lumber and plywood industry. When there is a decline in housing starts, such as we have recently experienced, employment in southwestern Oregon is sharply affected. Although the homebuilding industry has begun to show signs of recovering, it will be a long time before many of the unemployed are back on payrolls. In the meantime, they are available for other work and their skills could be put to use on public works projects that this legislation would make possible.

By enacting this needed legislation we will prime the labor pump, help depressed communities make permanent public improvements, and stimulate economic expansion. I urge my colleagues to approve this measure.

Mr. LUJAN. Mr. Chairman, in voting "yea" on H.R. 5376, the Accelerated Public Works Act, I want to urge my colleagues on both sides of the aisle to join me in giving this much-needed legislation the unanimous favorable vote it deserves.

The chronic unemployment in New Mexico and the desperate need for a speed up in public works construction throughout my district were two reasons why I sponsored two earlier bills that have been incorporated as titles I and II of this act.

H.R. 5376 will provide funds for public works grants to communities with high unemployment which have planned public works projects ready to go as soon the grant is made. The bill requires that a major part of the grant must be used in payroll—thus bringing money immediately into the community and directly into the pockets of those who need it most.

This is not a make-work project nor a Federal handout. It is a mutual benefit arrangement, and the projects that can get underway immediately range from water and sewer works to street repairs. These are projects that will improve the environment and living conditions of our people while also providing hundreds of thousands of badly needed jobs.

Mr. Chairman, the benefits of this bill are particularly needed in areas such as the North and South Valley of Albuquerque, N.Mex. If my colleagues could see the conditions under which many of our people live in this area, they would not have a second thought about passing this needed legislation.

We have an entire community without water or sewer facilities. The State legislature tried to assist these people earlier this year by passing a State appropriation aimed directly at their need, but the bill was vetoed. The community itself does not have the money to provide these services. Under this act, that money will become available, and hundreds of families will for the first time be able to have running water, showers, bathtubs, and flush toilets in their homes.

Throughout northern New Mexico, the need for public works projects as contained in this bill are startling and obvious. Villages like Tesuque and Chimayo need water and sewer systems; towns like Tres Piedras and Duran need present water systems replaced, the village of Mora now has a county health office with no hot water and with sewage running down its walls from the jail upstairs. These conditions can be tolerated no longer, and I for one insist that our people be given the help they need to get the job done.

I must stress that this bill will create new jobs immediately, especially in the construction trades which are now hit by high unemployment. And with the creation of each new job, there is a multiplier factor involving all the backup forces of engineers, architects, designers, manufacturers, truckers, common laborers, and so on giving a boost to the economy and making the area more attractive to industry as well as more habitable for our citizens.

If there is a single Member of this House who thinks for a second that this bill is not needed—who has the slightest hesitation about voting in favor of it—I invite him to come with me to New Mexico tonight, at my personal expense, and I will show him conditions that will make him want to catch the swiftest jet to get back here and give this legislation his strongest support.

Mr. COLLINS of Illinois. Mr. Chairman, an accelerated public works program is the only one that creates employment opportunities directly and immediately, of all the resources in the repository of public policy designed to emulate unemployment.

Such a program draws workers into gainful employment and releases them from the need to depend on unemployment compensation and relief. It strengthens their self-respect, pride of work, and dignity in a society that continues to give them an opportunity to participate in useful functions. Payment under the Public Works Acceleration Act is for work accomplished, not for unemployed persons.

The existing 6-percent rate of unemployment clearly demonstrates that public works employment is needed to provide jobs and income for the far too many Americans who have fallen into unemployment because of the current economic decline. Therefore, the high rates of unemployment makes the need for this legislation abundantly clear. It will provide the funds to build needed public works in the communities of our country which are suffering from high rates of unemployment. Such public works construction will create needed jobs for many of our unemployed constituents, who desire work but who because of the current recession cannot find work. These jobs will bring monetary gains into our districts, and help prime the economy of our Nation to enable it to recover faster.

The importance of the need for the Public Works Acceleration Act should not be underestimated. The citizen out of work cannot eat, clothe, and shelter his family on the administration's promises and experts' predictions of economic recovery later this year. He needs and wants employment now. This legislation will provide employment for many of those now unemployed. I, therefore, ask all my colleagues to support the Public Works Acceleration Act, H.R. 5376.

Mr. LANDRUM. Mr. Chairman, it is only fair for Members to ask what has been accomplished by the special Appalachian regional program after 6 years. There are many ways to answer the question. The committee has recited many of the physical accomplishments. But the achievements can be measured in statistical terms too.

All of us who have watched this program recognize that there are still many needs in Appalachia that are unmet. No one pretends that everything has been accomplished. But there is no doubt that early signs of improvement are apparent.

Outmigration from Appalachia has been cut in half. Between 1950 and 1960, a net of 2.2 million people moved out of Appalachia into the large cities of the Midwest. That is more people than the total number of persons who moved into the entire United States during the same period. Between 1960 and 1970 that net outmigration had been reduced to about 1.1 million persons. My own home area of northern Georgia has changed from a center of outmigration in the 1950's to a center of inmigration in the 1960's. It will take another decade or so before we can expect net outmigration from Appalachia to stop, but at the moment it appears that the program is on target. The hope of the program is to make it unnecessary for people to crowd into the large cities to make a living, but if they do choose to move—which is their right as American citizens—it is the hope of the Governors on the Appalachian Regional Commission that they will go to their new homes with the health and skills which they require to compete for jobs and become productive citizens in their new homes. The best measure of improvement is increased income.

In 1962, Appalachia's average per capita income was about 76 percent of the United States. Today it is approximately 80 percent.

This means more translated into total dollar gains. Between 1965 and 1966, total regional income increased by $1.5 billion over what it would have been had there been no gain relative to the rest of the United States.

Of course within Appalachia there are substantial variations. Per capita income in eastern Kentucky today is only half that of the United States. But the poorest areas of Appalachia are making significant income gains now. Between 1965 and 1968 Kentucky increased from 42.9 percent of the United States to 50.1, Virginia increased from 50.5 to 60 percent, and Georgia from 57.4 to 60.2 percent.

But it is in employment that we find the most significant measures of improvement. Well over 500,000 new jobs have been added to the Appalachian economy since 1965—many of them in diversified manufacturing enterprises which have had no previous history of lo-

cating in Appalachia. Unemployment in Appalachia has declined rapidly relative to the United States, so that in 1969 the official unemployment rate in Appalachia was only 0.5 percent greater than that of the United States. Even under today's economic conditions, many Appalachian labor markets appear to be holding their own reasonably well relative to the rest of the country, except for some areas in the northern part of the region and some areas in Alabama which have been affected by recent reductions in defense and space expenditures.

Unfortunately, these official unemployment statistics do not count an estimated 500,000 to 600,000 persons who are not looking for work but who would work if they thought the jobs were available.

What makes these statistics remarkable is that in the past, Appalachia's rate of decline during times of economic downturn has always been greater than those of the Nation, while rates of employment, in relative terms, have exceeded those of the country in times of prosperity. It now appears that this high sensitivity of the Appalachian economy to the national economic cycle is evening out because of increasing diversification of economic activity in the region during the last 5 years.

It would be a serious mistake to stop the efforts at bringing about a self-sustaining economy in the Appalachian region before the job is finished.

Mr. FUQUA. Mr. Chairman, as a cosponsor of the Public Works Acceleration Act, I want to voice my earnest support of this bill, as the Congress must address the economic ills of this country. Unemployment is insidious and is destroying the pride and vigor of millions of Americans. We can now count 5½ million Americans on the unemployed rolls. Factories are running at much less than full capacity. And while these millions of unemployed Americans are spending idle and unproductive hours, many of our communities are stagnating for want of public services.

This bill will not solve all of the economic problems of this country, but it will contribute to the resolution of these ills and provide productive employment to hundreds of thousands of people whose talents are being wasted. In my own district public works programs could provide much needed water and sewer systems, improved lighting, and a plethora of other much needed services. The problem of unemployment is cyclical and as the unemployment rolls in a community grows, tax revenues decline, and public services are the first area to feel the bite.

The committee has spent long and fruitful hours in hammering out a bill that will greatly stimulate the economy and lessen the psychological and physical effects of unemployment. The response to this bill has been overwhelming as is manifested by the fact that over 150 Members of this House have cosponsored it.

We recognize the great need for this legislation as a substitute for Federal handouts and the dehumanizing aspects of such relief. The bill calls for much needed public services as a vehicle for providing work for these unemployed. Not busy work, as some would suggest, but essential projects utilizing the talents and skills of thousands of Americans who have spent dreary months in enforced idleness.

I commend the committee for the excellent bill that is being considered today and I urge full support for this essential legislation.

Mr. MONAGAN. Mr. Chairman, I rise in support of H.R. 5376, especially as it authorizes funds for the Accelerated Public Works Act of 1962. I am a sponsor of the accelerated public works bill which the Public Works Committee has reported as title I of this bill.

Five and a half million unemployed persons are looking for quick, effective action which will put them back to work and this bill, with a great infusion of Federal funds, will do much to accomplish that objective in the areas of greatest need.

This type of accelerated public works program worked successfully in previous times when the economy needed stimulation, and I am confident that this program, if enacted, will again help to turn the economy around. Under the Public Works Acceleration Act, enacted with my support and signed into law by President Kennedy on September 14, 1962, $861 million were invested in more than 7,700 worthwhile public works projects. The congressional district which I represent benefited greatly from the 1962 act in terms of persons employed, economic renewal, and completed projects.

The Accelerated Public Works Act is not a Federal leaf-raking program. The projects eligible for funding under the program will open areas for industrial and commercial development by improving public facilities, and will provide immediate and constructive work for unemployed persons. Projects are authorized for areas designated by the Secretary of Labor as areas of substantial unemployment, areas designated as redevelopment areas by the Secretary of Commerce or as economic development centers under the Public Works and Economic Development Act of 1965. The act provides assistance for communities that: First, have a firm plan for a badly needed permanent public facility; second, are ready to begin immediate construction; and third, can guarantee that a high percentage of the construction cost will be labor. One of the areas which qualifies for funds under this program is the Waterbury labor market area in the district which I represent. The unemployment rate in the Waterbury area has been well above the 10-percent level for some time which is the highest jobless level in 12 years. Because of the persistently high unemployment rate in the Waterbury area, the Economic Development Administration designated the Waterbury labor market area as a redevelopment area under the Public Works and Economic Development Act of 1965 on January 27, action which I recommended in August 1970. In addition to being eligible for funds under the Accelerated Public Works Act, the January 27 designation makes this area eligible for funds under the Public Works and Economic Development Act of 1965 and funds for that program are authorized in title II of this bill. Title II extends the EDA authorization for 2 additional years and increases the authorization for appropriations to $550 million annually.

In addition to the Waterbury area which includes Bethlehem, Woodbury, Southbury, Thomaston, Watertown, Middlebury, Waterbury, Naugatuck, and Beacon Falls, other areas in or near the Fifth Congressional District which qualify for assistance under the Public Works Acceleration Act by virtue of being designated as an "area of substantial unemployment" by the Secretary of Labor are Danbury, which includes the towns of Bethel, Brookfield, Danbury, New Fairfield, Newtown, Redding, Ridgefield, and Sherman in Fairfield County and the towns of Bridgewater, Kent, New Milford, Roxbury, Warren, and Washington in Litchfield County; Meriden, including the towns of Southington in Hartford County and the towns of Meriden and Wallingford in New Haven County; and Ansonia, including Derby, Oxford, and Seymour in New Haven County.

While enactment of this bill can be expected to make an increase in employment, other action will still be needed to slow down inflation. Because of the inherent weakness of the administration's economic strategy of combating inflation with unemployment, the Nation is being forced to live with both. In this Congress I have introduced legislation which provides a way to put a lid on rising prices and wages on a nondiscriminatory, across-the-board basis. My bill, creating an Emergency Guidance Board which I have introduced with several cosponsors, would create a temporary price-wage guidance board to administer a system of voluntary price-wage guidelines for certain concentrated industries and large labor organizations. I believe that my bill deserves immediate consideration by Congress and I am hopeful that my colleagues will join me in working for enactment of the proposal in this session.

While I support titles I and II of this bill to provide funds for jobs on worthwhile and lasting public works projects, I continue to have reservations about the soundness of programs funded under the Appalachian Regional Development Act. I am particularly concerned that under title III of this bill the authorization for the development highway system and the local access road program is increased by $925 million and the program is extended through fiscal year 1978. The $925 million in new authorizations brings the total amount authorized for the highway program to over $2 billion. I have consistently questioned the effectiveness of spending such a large proportion of these funds for highway construction as a means to increase the economic vitality of the area. It is only by placing great reliance on the assurances of the committee that this method of pump-priming is having the desired effect that I continue to support this program. I do believe however that the appropriation authorities should keep a constant watch on the effectiveness of this program in the years ahead.

Titles I and II of the bill we are considering today fund programs which are to reduce employment. The programs will put people back to work in areas of

severe unemployment, and the bill deserves the support of every Member of Congress.

Mr. RARICK. Mr. Chairman, I had coauthored H.R. 4402 to amend the Public Works Acceleration Act to provide job benefits in certain areas of extra high unemployment. However, at that time I had no idea that the bill would come to the floor in a much modified condition and hooked on to the sectional Appalachian bill and the public works and economic development bill—a plan for more federalized control over the soverign States.

In the public works acceleration bill I had cosponsored, the triggering clause was nondiscretionary and fixed at a rate of unemployment of at least 150 percent above the national average for the 2 preceding calendar years.

The triggering phraseology of the Public Works Acceleration Act we are today considering is relegated to the discretion of the Secretary of Commerce and to the Secretary of Labor without clearcut guidelines.

Furthermore, section 4 of the bill we are now entertaining contains a double standard in Federal contributions favoring projects in the State or local government which has "exhausted its effective taxing and borrowing capacity." This preferential type treatment to some areas over others was not in the proposed bill and should not belong in any public works bill of national coverage.

Likewise, the sought-after appropriation of $950 million as a spurt to the economy has now been increased to $2 billion.

Other definitions and limitations which were in H.R. 4402 have not only been omitted or watered down, but the entire thrust of the bill before us seems bent on delegating the entire authority to the discretion of members of the Cabinet. I disapprove of this and do not feel this is wise legislation or good law. I am interested in helping alleviate unemployment in critical areas, but not at the cost of more inflation, reincreasing the entire national debt and setting the stage for more bipartisan battles between the Congress and the executive branch.

I shall cast my people's vote "No."

Mrs. HECKLER of Massachusetts. Mr. Chairman, I wish to take this opportunity to express my strong support for H.R. 5376 and to urge overwhelming approval.

The most important facet of the measure is the extension and improvement of the programs of the Economic Development Administration. EDA assistance has been responsible for scores of projects that will strengthen the economies of areas that have suffered from serious unemployent problems.

My own congressional district has faced severe unemployment and economic instability. At the present time, an industrial park is being developed in Fall River to attract industry, to create jobs and to help the area reach its full economic potential. A grant from the EDA is providing the necessary financial assistance for essential water and sewer lines for the industrial park.

At a time when several economic indicators are offering more optimistic outlooks for the future of our economy, we must strengthen and improve programs which will contribute to the growth we anticipate. Continuation of the work of the EDA is fundamental to this effort.

In addition, because of the great importance of improving our economy we must not overlook any possibility to create jobs. For that reason, I shall support title I of the bill which will reinstate the Public Works Acceleration Act of 1962.

Unlike the assistance provided by EDA, the Public Works Acceleration Act is designed to provide immediately, short-term employment to create job opportunities. While long-range assistance is essential, we must also attempt to increase the number of jobs immediately available. This title will do that and, at the same time, speed up completion of important public projects.

Mr. DANIELSON. Mr. Chairman, I wish to express my strong support for H.R. 5376 which extends the Public Works Acceleration Act, the Public Works and Economic Development Act of 1965, and the Appalachian Regional Development Act of 1965. As an early cosponsor of H.R. 3636, and later of H.R. 4408—which was reported out as title I of H.R. 5376—I would like to speak especially to the section on public works acceleration.

We are all made aware by our constituents and by the news media that unemployment has reached and maintained a critical level. This bill answers that problem specifically and rapidly. It will create jobs—worthwhile jobs—in the areas where unemployment is highest. At the same time, the end result of these jobs will benefit the whole community. The welfare of individuals and of their communities will be served.

Due to the nature of the Federal grants and the projects to be funded, many of them can be operational within a short period of time. This will be particularly helpful in those areas where people have already used up their allotted period of unemployment insurance. Also, the stipulation that the major portion of each grant must be used for payroll is directed to meet the need for employment, and is also responsibly geared to the current state of the economy.

The economic outlook of our country at present is so discouraging for the citizen that we should do everything we can through the Congress to give him a reasonable hope for the future. We must put forward our best ideas, and legislate the best programs, and see that the programs are carried through to put hope in some tangible form for people severely affected by the economic situation.

Acceleration of public works funds has been tried before, and has been proven effective. In addition to its short-term accomplishments which we anticipate, this bill will have long-range benefits to our environment. In the past decade, since the original bill was first employed, improvement has been in our national parks, our roads, our recreational facilities, and on Indian reservations.

Mr. Chairman, I am concerned about the condition of the economy and about the millions of persons who have lost their jobs because of the economic policies of the administration. Here is an opportunity to provide some work for these people. The $2 billion price tag on title I is a small amount when compared to the benefits that will derive from the various programs it will initiate.

Hopefully, positive action by this body on H.R. 5376 will serve also as an indicator to the President and will encourage him to release, additionally, the already appropriated funds that are currently not being utilized for important public works and other programs.

Mr. DORN. Mr. Chairman, may I congratulate and commend the distinguished chairman of the full committee, the gentleman from Minnesota (Mr. BLATNIK), for his leadership and ability in conducting this debate.

The debate on H.R. 5376 has been on a particularly high plane, due in large measure to the tone set by our able chairman. I take this opportunity to remind my colleagues of the splendid manner in which the chairman has conducted hearings, consideration of the bill in committee, and now on this floor.

He has already established himself in the tradition of great chairmen in the past history of this the most deliberative body in the world. I am proud and honored to serve under his able leadership and predict for him a great and illustrious career as chairman of the powerful and important Committee on Public Works. I urge the House to rally to his support and give Chairman BLATNIK an overwhelming endorsement on this, his first major piece of legislation as committee chairman.

The CHAIRMAN. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the committee rises.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. SLACK, 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. 5376) to extend the Public Works Acceleration Act, the Public Works and Economic Development Act of 1965, and the Appalachian Regional Development Act of 1965, pursuant to House Resolution 373, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the Committee amendment in the nature of a substitute? If not, the question is on the amendment.

The amendment was agreed to.

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

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

MOTION TO RECOMMIT OFFERED BY MR. DEVINE

Mr. DEVINE. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. DEVINE. In its present form I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. DEVINE moves to recommit the bill, H.R. 5376, as reported, to the Committee on Public Works, with instructions to report the same back to the House forthwith with the following amendment: On page 8, strike out line 5 and all that follows down through line 3 on page 12.

Renumber succeeding titles and references thereto accordingly.

PARLIAMENTARY INQUIRY

Mr. BLATNIK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BLATNIK. May I ask the author of the motion a question? The motion is that on page 8, strike out line 5 and all that follows down through line 3 on page 12. As I read it, that would strike out completely title I, and only title I; is that correct?

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

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

Mr. DEVINE. That is correct. It would strike out title I, that carries $2 billion of money that is not included in the budget.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

Mr. GERALD R. FORD. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 128, nays 261, answered "present" 0, not voting 43, as follows:

[Roll No. 66]

YEAS—128

Abbitt	Ford, Gerald R.	Poff
Anderson, Ill.	Forsythe	Powell
Archer	Frelinghuysen	Price, Tex.
Arends	Frey	Quie
Ashbrook	Goldwater	Quillen
Baker	Gross	Rarick
Belcher	Grover	Reid, Ill.
Bell	Haley	Rhodes
Betts	Hall	Robinson, Va.
Blackburn	Hansen, Idaho	Robison, N.Y.
Bray	Harsha	Rousselot
Brown, Ohio	Hastings	Ruth
Broyhill, N.C.	Hillis	Satterfield
Broyhill, Va.	Hogan	Scherle
Buchanan	Hosmer	Schmitz
Burleson, Tex.	Hutchinson	Schneebeli
Byrnes, Wis.	Jarman	Schwengel
Camp	Johnson, Pa.	Scott
Cederberg	Jonas	Shoup
Chamberlain	Keating	Smith, Calif.
Clancy	Kemp	Smith, N.Y.
Clawson, Del	King	Snyder
Cleveland	Kuykendall	Spence
Collier	Kyl	Springer
Collins, Tex.	Landgrebe	Steiger, Ariz.
Colmer	Latta	Steiger, Wis.
Conable	Lent	Talcott
Coughlin	Lloyd	Teague, Calif.
Crane	McClory	Terry
Daniel, Va.	McClure	Thone
Davis, Wis.	McCollister	Wampler
Dennis	McEwen	Ware
Derwinski	McKevitt	Wiggins
Devine	McKinney	Williams
Dickinson	Martin	Wilson, Bob
duPont	Mathias, Calif.	Winn
Edwards, Ala.	Mayne	Wydler
Erlenborn	Michel	Wylie
Esch	Mizell	Wyman
Eshleman	Mosher	Young, Fla.
Findley	Myers	Zion
Fish	Nelsen	Zwach
Fisher	Passman	

NAYS—261

Abernethy	Gallagher	O'Hara
Abourezk	Garmatz	O'Konski
Abzug	Gaydos	O'Neill
Adams	Gettys	Patman
Addabbo	Giaimo	Patten
Alexander	Gibbons	Pelly
Anderson, Calif.	Gonzalez	Pepper
	Grasso	Perkins
Anderson, Tenn.	Gray	Pettis
	Green, Oreg.	Pike
Andrews, N. Dak.	Green, Pa.	Pirnie
	Griffin	Poage
Annunzio	Griffiths	Podell
Ashley	Gude	Preyer, N.C.
Aspin	Hagan	Price, Ill.
Aspinall	Hamilton	Pryor, Ark.
Badillo	Hammer-schmidt	Pucinski
Baring		Railsback
Barrett	Hanley	Randall
Begich	Hanna	Rangel
Bennett	Hansen, Wash.	Rees
Bergland	Harrington	Reid, N.Y.
Bevill	Hathaway	Reuss
Biaggi	Hawkins	Riegle
Biester	Hébert	Roberts
Bingham	Hechler, W. Va.	Rodino
Blanton	Heckler, Mass.	Roe
Blatnik	Helstoski	Rogers
Boggs	Henderson	Roncalio
Boland	Hicks, Wash.	Rooney, N.Y.
Bolling	Holifield	Rostenkowski
Brademas	Horton	Roush
Brasco	Howard	Roy
Brinkley	Hull	Roybal
Broomfield	Hungate	Runnels
Burke, Fla.	Hunt	Ruppe
Burke, Mass.	Ichord	Ryan
Burlison, Mo.	Jacobs	St Germain
Burton	Johnson, Calif.	Sandman
Byrne, Pa.	Jones, Ala.	Sarbanes
Byron	Jones, N.C.	Saylor
Cabell	Jones, Tenn.	Scheuer
Caffery	Karth	Selberling
Carney	Kastenmeier	Shipley
Carter	Kee	Sikes
Celler	Keith	Sisk
Chappell	Koch	Slack
Chisholm	Kyros	Smith, Iowa
Clark	Landrum	Stafford
Clausen, Don H.	Leggett	Staggers
	Lennon	Stanton, J. William
Clay	Link	
Collins, Ill.	Long, Md.	Stanton, James V.
Conte	Lujan	
Conyers	McCormack	Steed
Corman	McDade	Stephens
Cotter	McDonald, Mich.	Stokes
Culver		Stratton
Daniels, N.J.	McFall	Stubblefield
Danielson	McKay	Stuckey
de la Garza	McMillan	Sullivan
Delaney	Macdonald, Mass.	Symington
Dellenback		Taylor
Dellums	Madden	Teague, Tex.
Denholm	Mahon	Thompson, Ga.
Dent	Mann	Thompson, N.J.
Diggs	Matsunaga	Thomson, Wis.
Dingell	Mazzoli	Tiernan
Donohue	Meeds	Udall
Dorn	Melcher	Ullman
Downing	Metcalfe	Van Deerlin
Drinan	Mikva	Vander Jagt
Dulski	Miller, Calif.	Vanik
Duncan	Miller, Ohio	Veysey
Eckhardt	Mills	Vigorito
Edmondson	Minish	Waggonner
Edwards, Calif.	Mink	Waldie
Eilberg	Minshall	Watts
Evans, Colo.	Mitchell	Whalen
Evins, Tenn.	Mollohan	Whalley
Flood	Monagan	White
Flowers	Montgomery	Whitten
Foley	Moorhead	Widnall
Ford, William D.	Morgan	Wilson, Charles H.
	Morse	
Fountain	Moss	Wyatt
Fraser	Murphy, N.Y.	Yates
Frenzel	Natcher	Yatron
Fulton, Pa.	Nichols	Young, Tex.
Fulton, Tenn.	Nix	Zablocki
Galifianakis	Obey	

ANSWERED PRESENT—0

NOT VOTING—43

Andrews, Ala.	Corbett	Flynt
Bow	Davis, Ga.	Fuqua
Brooks	Dow	Goodling
Brotzman	Dowdy	Gubser
Brown, Mich.	Dwyer	Halpern
Carey, N.Y.	Edwards, La.	Harvey
Casey, Tex.	Fascell	Hays
Hicks, Mass.	Murphy, Ill.	Shriver
Kazen	Nedzi	Skubitz
Kluczynski	Peyser	Steele
Long, La.	Pickle	Whitehurst
McCloskey	Purcell	Wolff
McCulloch	Rooney, Pa.	Wright
Mailliard	Rosenthal	
Mathis, Ga.	Sebelius	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

Mr. Wright with Mr. Skubitz.
Mr. Fuqua with Mr. Gubser.
Mr. Fascell with Mr. Shriver.
Mr. Nedzi with Mrs. Dwyer.
Mr. Kluczynski with Mr. Bow.
Mr. Brooks with Mr. Mailliard.
Mr. Kazen with Mr. Keith.
Mr. Hays with Mr. Goodling.
Mr. Andrews of Alabama with Mr. Sebelius.
Mr. Carey of New York with Mr. Peyser.
Mr. Pickle with Mr. Steele.
Mr. Purcell with Mr. Brotzman.
Mr. Rooney of Pennsylvania with Mr. Corbett.
Mr. Wolff with Mr. Halpern.
Mr. Flynt with Mr. Whitehurst.
Mr. Edwards of Louisiana with Mr. McCulloch.
Mr. Casey of Texas with Mr. Brown of Michigan.
Mr. Davis of Georgia with Mr. McCloskey.
Mr. Long of Louisiana with Mr. Mathis.
Mr. Dow with Mr. Dowdy.
Mrs. Hicks of Massachusetts with Mr. Murphy of Illinois.

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

Messrs. STEIGER of Arizona and CAMP changed their votes from "nay" to "yea."

The result of the vote was announced as above recorded.

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

Mr. BLATNIK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 319, nays 68, answered "present" 0, not voting 45, as follows:

[Roll No. 67]

YEAS—319

Abernethy	Brown, Ohio	Delaney
Abourezk	Broyhill, N.C.	Dellenback
Abzug	Buchanan	Dellums
Adams	Burke, Fla.	Denholm
Addabbo	Burke, Mass.	Dent
Alexander	Burlison, Mo.	Diggs
Anderson, Calif.	Burton	Dingell
	Byrne, Pa.	Donohue
Anderson, Ill.	Byron	Dorn
Anderson, Tenn.	Cabell	Downing
	Caffery	Drinan
Andrews, N. Dak.	Carey, N.Y.	Dulski
	Carney	Duncan
Annunzio	Carter	duPont
Ashley	Cederberg	Eckhardt
Aspin	Celler	Edmondson
Aspinall	Chamberlain	Edwards, Calif.
Badillo	Chappell	Eilberg
Baker	Chisholm	Esch
Baring	Clancy	Eshleman
Barrett	Clark	Evans, Colo.
Begich	Clausen, Don H.	Evins, Tenn.
Bell		Fish
Bennett	Clawson, Del	Flood
Bergland	Clay	Flowers
Bevill	Cleveland	Foley
Biaggi	Collins, Ill.	Ford, William D.
Biester	Colmer	
Bingham	Conte	Forsythe
Blanton	Conyers	Fountain
Blatnik	Corman	Fraser
Boland	Cotter	Frenzel
Bolling	Coughlin	Frey
Brademas	Culver	Fulton, Pa.
Brasco	Daniels, N.J.	Fulton, Tenn.
Brinkley	Danielson	Galifianakis
Broomfield	de la Garza	Gallagher

Garmatz	McKinney	Rostenkowski
Gaydos	McMillan	Roush
Gettys	Macdonald, Mass.	Roy
Giaimo	Madden	Roybal
Gibbons	Mahon	Runnels
Gonzalez	Mann	Ruppe
Grasso	Mathias, Calif.	Ruth
Gray	Matsunaga	Ryan
Green, Oreg.	Mazzoli	St Germain
Green, Pa.	Meeds	Sandman
Griffin	Melcher	Sarbanes
Griffiths	Metcalfe	Saylor
Gude	Mikva	Scherle
Hagan	Miller, Calif.	Scheuer
Hamilton	Miller, Ohio	Seiberling
Hammer-schmidt	Mills	Shipley
Hanley	Minish	Sikes
Hanna	Mink	Sisk
Hansen, Idaho	Minshall	Skubitz
Hansen, Wash.	Mitchell	Slack
Harrington	Mizell	Smith, Calif.
Harsha	Mollohan	Smith, Iowa
Hastings	Monagan	Smith, N.Y.
Hathaway	Montgomery	Snyder
Hawkins	Moorhead	Spence
Hébert	Morgan	Springer
Hechler, W. Va.	Morse	Stafford
Helstoski	Mosher	Staggers
Henderson	Moss	Stanton, J. William
Hicks, Wash.	Murphy, N.Y.	Stanton, James V.
Hillis	Natcher	Steed
Hogan	Nelsen	Stephens
Holifield	Nichols	Stokes
Horton	Nix	Stratton
Howard	Obey	Stubblefield
Hull	O'Hara	Stuckey
Hungate	O'Konski	Sullivan
Hunt	O'Neill	Symington
Hutchinson	Passman	Talcott
Ichord	Patman	Taylor
Jacobs	Patten	Teague, Tex.
Johnson, Calif.	Pelly	Thompson, Ga.
Johnson, Pa.	Pepper	Thompson, N.J.
Jones, Ala.	Perkins	Thomson, Wis.
Jones, N.C.	Pettis	Tiernan
Jones, Tenn.	Pike	Udall
Karth	Pirnie	Ullman
Kastenmeier	Poage	Van Deerlin
Keating	Podell	Vander Jagt
Kee	Powell	Vanik
Keith	Preyer, N.C.	Veysey
Kemp	Price, Ill.	Vigorito
King	Pryor, Ark.	Waggonner
Koch	Pucinski	Waldie
Kuykendall	Quie	Wampler
Kyros	Quillen	Watts
Landrum	Railsback	Whalen
Latta	Randall	Whalley
Leggett	Rangel	White
Lennon	Rees	Whitten
Link	Reid, Ill.	Widnall
Long, Md.	Reid, N.Y.	Wilson, Charles H.
Lujan	Reuss	Wyatt
McClory	Rhodes	Wylie
McClure	Riegle	Wyman
McCormack	Roberts	Yates
McDade	Robison, N.Y.	Yatron
McDonald, Mich.	Rodino	Young, Tex.
McEwen	Roe	Zablocki
McFall	Rogers	Zwach
McKay	Roncalio	
	Rooney, N.Y.	

NAYS—68

Abbitt	Erlenborn	Price, Tex.
Archer	Findley	Rarick
Arends	Fisher	Robinson, Va.
Ashbrook	Ford, Gerald R.	Rousselot
Belcher	Frelinghuysen	Satterfield
Betts	Goldwater	Schmitz
Blackburn	Gross	Schneebeli
Bray	Grover	Scott
Broyhill, Va.	Haley	Shoup
Burleson, Tex.	Hall	Steiger, Ariz.
Byrnes, Wis.	Jarman	Steiger, Wis.
Camp	Jonas	Teague, Calif.
Collier	Kyl	Terry
Collins, Tex.	Landgrebe	Thone
Conable	Lent	Ware
Crane	Lloyd	Wiggins
Daniel, Va.	McCollister	Williams
Davis, Wis.	McKevitt	Wilson, Bob
Dennis	Martin	Winn
Derwinski	Mayne	Wydler
Devine	Michel	Young, Fla.
Dickinson	Myers	Zion
Edwards, Ala.	Poff	

ANSWERED PRESENT—0

NOT VOTING—45

Andrews, Ala.	Brotzman	Davis, Ga.
Boggs	Brown, Mich.	Dow
Bow	Casey, Tex.	Dowdy
Brooks	Corbett	Dwyer
Edwards, La.	Hosmer	Pickle
Fascell	Kazen	Purcell
Flynt	Kluczynski	Rooney, Pa.
Fuqua	Long, La.	Rosenthal
Goodling	McCloskey	Schwengel
Gubser	McCulloch	Sebelius
Halpern	Mailliard	Shriver
Harvey	Mathis, Ga.	Steele
Hays	Murphy, Ill.	Whitehurst
Heckler, Mass.	Nedzi	Wolff
Hicks, Mass.	Peyser	Wright

So the bill was passed.

The Clerk announced the following pairs:

Mr. Hays with Mr. Bow.
Mr. Fuqua with Mr. Shriver.
Mr. Fascell with Mr. Steele.
Mr. Nedzi with Mr. Brown of Michigan.
Mr. Wright with Mr. Mailliard.
Mrs. Hicks of Massachusetts with Mrs. Dwyer.
Mr. Wolff with Mr. Halpern.
Mr. Pickle with Mr. Brotzman.
Mr. Brooks with Mr. Hosmer.
Mr. Boggs with Mrs. Heckler of Massachusetts.
Mr. Andrews of Louisiana with Mr. Goodling.
Mr. Kluczynski with Mr. Harvey.
Mr. Purcell with Mr. Schwengel.
Mr. Rosenthal with Mr. Peyser.
Mr. Rooney of Pennsylvania with Mr. Corbett.
Mr. Kazen with Mr. McCloskey.
Mr. Casey of Texas with Mr. Gubser.
Mr. Davis of Georgia with Mr. Sebelius.
Mr. Flynt with Mr. Whitehurst.
Mr. Pucinski with Mr. McCulloch.
Mr. Mathis with Mr. Long of Louisiana.
Mr. Dowdy with Mr. Dow.
Mr. Edwards of Louisiana and Mr. Murphy of Illinois.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore (Mr. BOLLING). Pursuant to the provisions of House Resolution 373, the Committee on Public Works is discharged from further consideration of the bill S. 575.

The Clerk read the title of the Senate bill.

MOTION OFFERED BY MR. BLATNIK

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

The Clerk read as follows:

Motion offered by Mr. BLATNIK: Strike out all after the enacting clause of the bill S. 575, to authorize funds to carry out the purposes of the Appalachian Regional Development Act of 1965, as amended, and insert in lieu thereof the provisions of H.R. 5376, as passed, as follows:

TITLE I—PUBLIC WORKS ACCELERATION ACT

SEC. 101. This title may be cited as the "Public Works Acceleration Act Amendments of 1971".

SEC. 102. The Public Works Acceleration Act (42 U.S.C. 2641 et seq.) is amended as follows:

(1) Clause (1) of section 2(a) is amended to read as follows: "(1) certain communities and areas in the Nation are presently burdened by substantial unemployment and underemployment resulting from the economic decline of 1970, and".

(2) Subsection (b) of section 2 is amended to read as follows:

"(b) Congress further finds that Federal assistance to stimulate public works investment in order to increase employment opportunities is most urgently needed in those areas, both urban and rural, suffering persistent or substantial unemployment or underemployment."

(3) Subsection (a) of section 3 is amended to read as follows:

"(a) For the purposes of this section, the term 'eligible area' means—

"(1) those areas designated by the Secretary of Commerce as 'redevelopment areas' or as 'economic development centers' for the purpose of the Public Works and Economic Development Act of 1965, and those areas designated by such Secretary under section 102 of such Act.

"(2) those areas which the Secretary of Labor designates each month as having been areas of substantial unemployment for at least six of the preceding twelve months.

"(3) those areas which the Secretary of Labor designates each month as areas having an average rate of unemployment of veterans who served on active duty during the Vietnam era as defined in section 101(29) of Title 38, United States Code, and who were discharged or released from active duty in the military, naval, or air service of the United States under conditions other than dishonorable, at least 25 per centum above the national average rate of all unemployment for three consecutive months or more during the preceding 12 month period."

(4) The last sentence of subsection (c) of section 3 is amended to read as follows: "Notwithstanding any provision of such law requiring the Federal contribution to the State or local government involved to be less than a fixed portion of the cost of a project, grants-in-aid may be made under authority of this section which bring the total of all Federal contributions to such project up to 80 per centum of the cost of such project, or up to 100 per centum of the cost of such project if the State or local government has exhausted its effective taxing and borrowing capacity for such purposes and therefore does not have economic and financial capability to assume all of the additional financial obligations required."

(5) Subsection (d) of section 3 is amended to read as follows:

"(d) There is hereby authorized to be appropriated for the fiscal years beginning after June 30, 1970, not to exceed $2,000,000,000, to be allocated by the President in accordance with subsection (b) of this section."

(6) Subsection (e) of section 3 is amended by adding at the end thereof the following: "In prescribing such rules, regulations, and procedures, the President shall require that priority be given to projects for assistance in the construction of basic public works (including works for the storage, treatment, purification, or distribution of water; and sewage, sewage treatment, and sewer facilities) for which there is an urgent and vital public need."

(7) Subsection (h) of section 3 is amended to read as follows:

"(h) The criteria to be used by the Secretary of Labor in determining areas of substantial unemployment for the purposes of paragraph (2) of subsection (a) of this section shall be the criteria established in section 8.3(a) of title 29 of the Code of Federal Regulations as in effect March 2, 1971."

(8) Subsection (a) of section 4 is amended to read as follows:

"(a) No part of any allocation made by the President under this Act shall be made available during any fiscal year to any State or local government for any public works project if the proposed or planned total expenditure (exclusive of Federal funds) of such State or local government during such fiscal year for all its capital improvement projects is decreased."

(9) By adding at the end thereof the following:

"SEC. 7. An eligible area under this Act shall retain such designation for only so long as it continues to meet the unemployment criteria applicable to it but in no event shall

such designation be terminated prior to one year after the date of designation.

"SEC. 8. Federal financial assistance made from allocations made by the President under this Act may be used for all or any portion of the basic Federal contribution to projects and for the purpose of increasing the Federal contribution to such projects."

SEC. 103. (a) Clause (ii) of the last sentence of paragraph (4) of subsection (b) of section 202 of the Housing Amendments of 1955 is amended by striking out "section 9" and inserting in lieu thereof "section 3".

(b) Section 202(e) of the Housing Amendments of 1955 is amended by striking out "section 9" and inserting in lieu thereof "section 3", and by striking out "50 per centum" and inserting in lieu thereof "80 per centum".

SEC. 104. No person in the United States shall, on the ground of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance under the Public Works Acceleration Act.

TITLE II—THE PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965

SEC. 201. This title may be cited as the "Public Works and Economic Development Act Amendments of 1971".

SEC. 202. Section 105 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3135) is amended by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "and not to exceed $550,000,000 per fiscal year for the fiscal years ending June 30, 1972, and June 30, 1973."

SEC. 203. Subsection (c) of section 201 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3141) is amended by striking out "June 30, 1971" and inserting in lieu thereof "June 30, 1973".

SEC. 204. Section 302 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3152) is amended by striking out "and June 30, 1971" and inserting in lieu thereof "June 30, 1971, June 30, 1972, and June 30, 1973".

SEC. 205. Section 401 of the Public Works and Economic Development Act of 1965 (42 U.S.S. 3161) is amended as follows:

(1) Paragraph (2) of subsection (a) is amended by striking out "40 per centum" and inserting in lieu thereof "50 per centum".

(2) Paragraph (6) of subsection (a) is amended to read as follows:

"(6) the Secretary may designate as redevelopment areas those communities or neighborhoods (defined without regard to political or other subdivisions or boundaries) which—

"(A) the Secretary determines have one of the following conditions:

"(i) a large concentration of low-income persons;

"(ii) rural areas having substantial outmigration;

"(iii) substantial unemployment;

"(iv) an actual or threatened abrupt rise of unemployment due to the closing or curtailment of a major source of employment; or

"(v) severe economic distress due to the occurrence of a natural disaster; and

"(B) have submitted an acceptable proposal for an overall economic development program which will have an appreciable beneficial impact upon such condition.

No redevelopment area established under this paragraph shall be eligible to meet the requirements of section 403(a)(1)(B) of this Act;

"(7) those areas where per capita employment has declined significantly during the next preceding ten-year period for which appropriate statistics are available."

SEC. 206. The first sentence of section 402 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3162) is amended by striking out "thereof" and all that follows down through and including the period at the end of the sentence and inserting in lieu thereof the following: "of such reviews shall terminate or modify such designation whenever such an area no longer satisfies the designation requirements of section 401, but in no event shall such a designation of an area be terminated prior to the expiration of the third year after the date such area was so designated."

SEC. 207. Subsection (g) of section 403 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3171) is amended by striking out "June 30, 1971" and inserting in lieu thereof "June 30, 1973".

SEC. 208. Subsection (d) of section 509 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3188a) is amended by striking out the period at the end of the first sentence thereof and inserting in lieu thereof a comma and the following: "and for the two-fiscal-year period ending June 30, 1973, to be available until expended, not to exceed $305,000,000."

SEC. 209. Section 512 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3191) is amended by inserting immediately after "1971," the following: "and $500,000 for the two-fiscal-year period ending June 30, 1973,".

SEC. 210. Section 2 of the Act of July 6, 1970 (Public Law 91-304) is amended by striking out "1971" and inserting in lieu thereof "1972".

SEC. 211. No person in the United States shall, on the ground of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance under the Public Works and Economic Development Act of 1965.

TITLE III—APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965

SEC. 301. This title may be cited as the "Appalachian Regional Development Act Amendments of 1971".

SEC. 302. The second sentence of subsection (b) of section 105 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 105) is amended to read as follows: "To carry out this section there is hereby authorized to be appropriated to the Commission, to be available until expended, not to exceed $1,900,000 for the two-fiscal-year period ending June 30, 1973, and not to exceed $1,900,000 for the two-fiscal-year period ending June 30, 1975. Not to exceed $475,000 of the authorization for any such two-year period shall be available for the expenses of the Federal Cochairman, his alternate, and his staff.".

SEC. 303. Pargaraph (7) of section 106 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 106) is amended by striking out "1971" and inserting in lieu thereof "1975".

SEC. 304. Subsection (g) of section 201 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 201) is amended to read as follows:

"(g) To carry out this section, there is hereby authorized to be appropriated to the President, to be available until expended, $175,000,000 for the fiscal year ending June 30, 1971; $175,000,000 for the fiscal year ending June 30, 1972; $180,000,000 for the fiscal year ending June 30, 1973; $180,000,000 for the fiscal year ending June 3, 1974; $185,000,000 for the fiscal year ending June 30, 1975; $185,000,000 for the fiscal year ending June 30, 1976; $185,000,000 for the fiscal year ending June 30, 1977; and $180,000,000 for the fiscal year ending June 30, 1978."

SEC. 305. Subsection (b) of section 205 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 205) is amended to read as follows:

"(b) Notwithstanding any other provision of law, the Federal share of mining area restoration project costs carried out under subsection (a) of this section and conducted on lands other than federally owned lands shall not exceed 75 per centum of the total cost thereof. For the purposes of this section, such project costs may include the reasonable value (including donations) of planning, engineering, real property acquisition (limited to the reasonable value of the real property in its unreclaimed state and costs incidental to its acquisition, as determined by the Commission) and such other materals and services as may be required for such project."

SEC. 306. The first sentence of subsection (c) of section 214 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 214) is amended by striking out "December 31, 1970" and inserting in lieu thereof "December 31, 1974".

SEC. 307. Section 401 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 401) is amended to read as follows:

"SEC. 401. In addition to the appropriations authorized in section 105 for administrative expenses, and in section 201 for the Appalachian development highway system and local access roads, there is hereby authorized to be appropriated to the President, to be available until expended, to carry out this Act, $268,500,000 for the two-fiscal-year period ending June 30, 1971; $302,000,000 for the two-fiscal-year period ending June 30, 1973; and $314,000,000 for the two-fiscal-year period ending June 3, 1975."

SEC. 308. Section 405 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 405) is amended by striking out "1971." and inserting in lieu thereof "1975.".

SEC. 309. No person in the United States shall, on the ground of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance under the Appalachian Regional Development Act of 1965.

Amend the title so as to read:

"An Act to extend the Public Works Acceleration Act, the Public Works and Economic Development Act of 1965, and the Appalachian Regional Development Act of 1965."

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Minnesota (Mr. BLATNIK).

The motion was agreed to.

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

The title was amended so as to read:

"To extend the Public Works Acceleration Act, the Public Works and Economic Development Act of 1965, and the Appalachian Regional Development Act of 1965."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 5376) was laid on the table.

APPOINTMENT OF CONFEREES

Mr. BLATNIK. Mr. Speaker, I ask unanimous consent that the House insist on its amendments to the bill (S. 575) to authorize funds to carry out the purposes of the Appalachian Regional Development Act of 1965, as amended, and request a conference with the Senate thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota? The Chair hears none and, without objection, appoints the following conferees: Messrs. BLATNIK, JONES of Alabama, GRAY, EDMONDSON, HARSHA, SCHWENGEL, and CLEVELAND.

There was no objection.

VICTORY FOR PUBLIC WORKS LEGISLATION AND OUR ECONOMY

Mr. MADDEN. Mr. Speaker, the House of Representatives today responded by

a very substantial majority vote in the passage of the 1971 public works legislation. It was a great victory when the House by a substantial majority defeated the amendment to strike out title I of this legislation which would have emasculated at least 60 percent of the projects to be authorized under the provisions of this bill. Millions of American families are in desperate need as a result of the present administration's failure to combat the problems of unemployment and inflation. The Congress by its vote today took the leadership to combat recession and unemployment. This is merely the first step toward restoring prosperity and employment through the Nation.

It is indeed unfortunate that 90 percent of the vote in favor of striking out section I came from the Republican side of the House. Ninety-eight percent of the employed in this country want an honest day's wage in exchange for an honest day's work. This bill authorizes $2 billion immediately for accelerated public works employment through both Federal and local government projects, such as waste treatment plants, water, and sewer projects, hospitals, nursing homes, and public health centers. It is estimated that this part of the public works legislation alone would create about 420,000 jobs.

With the other projects, including title III of the bill, which deals with Appalachia, this public works legislation enacted today by the Congress could provide several million jobs throughout the Nation.

Title II of H.R. 5376 amends the Public Works and Economic Development Act to provide Federal help in conjunction with the States—to assist communities, areas, and regions which are suffering from unemployment by providing financial and technical assistance needed for the creation of new jobs. Its long-range objective is to enhance domestic prosperity by establishing stable and diversified local economies.

URGENT SUPPLEMENTAL APPROPRIATIONS, 1971

Mr. MAHON. Mr. Speaker, pursuant to the order of the House on Monday last, I call up the joint resolution (H.J. Res. 567) making certain urgent supplemental appropriations for the fiscal year 1971, and for other purposes, and ask unanimous consent that the joint resolution be considered in the House as in the Committee of the Whole.

The Clerk read the title of the joint resolution.

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

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 567

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1971, namely:

CHAPTER I

VETERANS ADMINISTRATION

COMPENSATION AND PENSIONS

For an additional amount for "Compensation and pensions," $433,779,000, to remain available until expended.

READJUSTMENT BENEFITS

For an additional amount for "Readjustment benefits," $302,200,000, to remain available until expended.

CHAPTER II

DEPARTMENT OF LABOR

WAGE AND LABOR STANDARDS ADMINISTRATION

SALARIES AND EXPENSES

For an additional amount for "Wage and Labor Standards Administration, Salaries and Expenses," including carrying out the functions of the Secretary under the Occupational Safety and Health Act of 1970 (Public Law 91–596, approved December 29, 1970), $7,818,000, of which $4,000,000 shall be for grants to States authorized by said Public Law 91–596 and not to exceed $118,000 shall be transferred to the fund created by section 44 of the Longshoremen's and Harbor Workers' Compensation Act, as amended.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

ENVIRONMENTAL HEALTH SERVICE

ENVIRONMENTAL CONTROL

For an additional amount for "Environmental control," for carrying out the provisions of the Occupational Safety and Health Act of 1970, Public Law 91–596, $4,000,000.

RELATED AGENCIES

OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION

SALARIES AND EXPENSES

For expenses necessary for the Occupational Safety and Health Review Commission, established by section 12 of the Act of December 29, 1970 (Public Law 91–596), $75,000.

CHAPTER III

SMALL BUSINESS ADMINISTRATION

DISASTER LOAN FUND

For additional capital for the "Disaster loan fund," $265,000,000, to remain available without fiscal year limitation.

CHAPTER IV

FUNDS APPROPRIATED TO THE PRESIDENT

DISASTER RELIEF

For an additional amount for "Disaster relief," including carrying out the functions of the Office of Emergency Preparedness under the Disaster Relief Act of 1970 (Public Law 91–606), $25,000,000, to remain available until expended: *Provided,* That not to exceed 3 per centum of the foregoing amount shall be available for administrative expenses.

CHAPTER V

GENERAL PROVISIONS

No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

Mr. MAHON. Mr. Speaker, I move to strike the last word.

Mr. Speaker, this is a joint resolution making certain urgent supplemental appropriations for the current fiscal year 1971 which ends on June 30.

The Committee on Appropriations has, over a considerable period, been working a general supplemental appropriation bill which is required to meet various Government expenditure requirements. We expect to report that bill early next month but in the meantime there are a few items that for one reason or another require more expeditious handling. That is the purpose of the pending measure. We have lifted these few items from the second supplemental bill for 1971 which, as I indicated, we expect to report next month.

The total sum of $1,038 million, a reduction of $4.4 million from the requests, is recommended in three program areas under seven separate appropriations: $736 million relates to mandatory-type veterans benefits programs which could run out of cash before the second supplemental is finalized; $11.9 million relates to the newly enacted occupational safety and health program which goes into effect April 28—the budget requests were received in early March and there is considerable urgency attached to getting the program underway; and $290 million is for disaster relief and Small Business Administration disaster loan funds to meet emergency assistance needs in various areas of the country.

The committee report is at the desk. It goes into more detail.

I am going to yield to the gentleman from Pennsylvania (Mr. FLOOD), as the chairman of the subcommittee immediately in charge, to make a brief comment in regard to the funds for occupational safety and health. The request was reduced somewhat for reasons which we consider fully valid, but this is a matter in which Members of the House are very much interested. I yield now to the gentleman from Pennsylvania for discussion of that matter.

OCCUPATIONAL HEALTH AND SAFETY

Mr. FLOOD. Mr. Speaker, chapter 2 is a rather simple situation. We have three appropriation items: One for the Department of Labor, one for the Department of Health, Education, and Welfare, and the third for the Occupational Safety and Health Review Commission. However, all three are for implementing a single piece of legislation, the Occupational Safety and Health Act that was passed late in the last session of Congress. Since the act goes into effect on the 28th of this month, next Wednesday, it is urgent that these funds be appropriated within the next few days.

I am sure that most of you will remember that the occupational safety and health bill passed late in the last session of Congress. It became law December 29, 1970. The act covers all employers engaged in interstate commerce in this country.

So far as the Department of Labor is concerned the act provides that the Secretary shall promulgate standards to protect the occupational safety and health of the employees of all these covered employers, in other words, those engaged in interstate commerce. The Secretary of Labor is also responsible for the inspection and enforcement activities. The Department's inspectors are to go to plants covered by this statute either on their own initiative; or, if an employee or group of employees makes a reasonable request for an inspection, the law re-

quires the Secretary to send an inspector to the plant involved.

The Secretary of Labor also has the responsibility to bring litigation, if necessary, against employers alleged to have violated a safety standard. That litigation is brought before an independent review commission, the Occupational Safety and Health Review Commission. This is an independent judicial body. That body makes the determination as to whether there is in fact a violation.

The act charges the Department of Health, Education, and Welfare with several responsibilities. That Department is to make recommendations regarding the need for mandatory standards, and the priority of each; to systematically develop criteria for standards, and to develop criteria dealing with toxic materials and harmful physical agents and substances; to conduct programs designed to provide education and training to personnel in order to assure that an adequate supply of qualified manpower exists for implementation of the act; and to develop informational programs to assure proper use of safety and health equipment and to train employers and employees in the recognition and prevention of unhealthful working conditions.

The committee's recommendation with regard to the level of funding is set forth in the table on pages 6 and 7 of the report. In summary the total request was $16,315,000 and the bill includes $11,893,000, a cut of approximately 25 percent. The cut is recommended solely on the basis that the Department expected to get the appropriation earlier, so unless the Antideficiency Act has been violated—and we have no reason to believe that it has—these agencies will obviously need less money for the shorter period of time left in the fiscal year. This delay is occasioned by the fact that the last part of this package was not transmitted to Congress until March 23 and so did not afford Congress the opportunity to act in a deliberate manner prior to the Easter recess.

The recommendation of the committee will make no reduction in the number of positions requested for this very important program. I can assure you that we took no action that will keep either Department or the Commission from building the staff they requested by the end of this fiscal year. We simply recognized that they would be aboard for a shorter period of time than anticipated.

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

(By unanimous consent, Mr. MAHON was allowed to proceed for 10 additional minutes.)

VETERANS BENEFIT ITEMS

Mr. MAHON. Mr. Speaker, the largest item in this urgent supplemental is for the Veterans' Administration. It totals about $736 million. The chairman of the subcommittee immediately in charge, the gentleman from Massachusetts (Mr. BOLAND), is quite familiar with this requirement and I am glad to yield to him for a more detailed explanation.

Mr. BOLAND. Mr. Speaker, the supplemental appropriations recommended in the bill for the Veterans' Administration total $735,979,000. This includes a supplemental appropriation of $433,779,000 for the payment of compensation, pensions, and related benefits to eligible veterans and their beneficiaries as proposed in the budget estimate, and $302,200,000 for readjustment benefits for education and training assistance for veterans returning from Vietnam and other eligible dependents of veterans.

Last year the Congress enacted legislation increasing the rates of compensation. Great effort has been made by the Veterans' Administration to encourage veterans to avail themselves of the opportunities that are open to them in the readjustment benefits program. The fact that there is a need for these supplemental funds reflects some of the results that have been achieved.

In the compensation and pensions program, Public Law 91–376 increased most rates of disability compensation on the average of approximately 11 percent effective July 1, 1970. It is estimated that this will increase compensation costs in 1971 by $217,943,000. Vietnam era veterans continue to come on the rolls at a much fater rate than was originally anticipated, and $51,244,000 is due to this factor.

Public Law 91–262 increased the rates of payment to certain survivors of deceased veterans, effective July 1, 1970. This is estimated to increase costs in 1971 by $3,612,000. Public Law 91–376 also authorized the payment of benefits to certain remarried widows effective January 1, 1971. This requires an additional $2,549,999 in the current fiscal year.

Legislation enacted by the Congress in Public Law 91–588 raised the rates of pensions and increased the income limitations for veterans. This is estimated to increase the cost this year by $71,015,000 in the pensions program. There also is an increasing trend toward a higher average payment per veteran, especially for World War I and World War II veterans, who are becoming eligible to receive the higher "aid and attendance" and "housebound" rates. It is estimated that this will increase the 1971 costs by $29,171,000.

Pension benefits for survivors pursuant to Public Law 91–376 will now include the payment of benefits to certain remarried widow pensioners, effective January 1, 1971, similar to those provided for those eligible for compensation benefits. An amount $1,720,000 is included for this purpose. Public Law 91–588 also increases the rates and income limitations for survivor pensioners, as it did for veterans. This requires an addition of $43,985,000.

The subsistence allowances provided in the compensation and pensions program to certain veteran trainees are increased in Public Law 91–219 by approximately 22.7 percent effective February 1, 1970, and a continued buildup of seriously disabled veterans associated with the Southeast Asian crisis requires an addition of approximatley $8,400,000.

The additional $302,200,000 recommended in the bill for the readadjustment benefits program is primarily due to the increased numbers of veterans taking educational training when they return from service. The number of trainees is now projected to be 1,568,000 compared with an estimate of 1,394,000 made last September. The added cost in 1971 of these additional trainees is $175,000,000.

Public Law 91–966 increases the allowance for automobiles and other conveyances for disabled veterans from $1,600 to $2,800 toward the purchase price of conveyances for disabled veterans to more realistically reflect current price levels. This is estimated to add a requirement for $8,700,000.

The readjustment benefits item also covers cost of educational benefits that were liberalized and expanded in a number of other ways in Public Law 91–584. The primary change is to reduce the 2-year active duty requirement for benefits to 180 days. This and other changes add a requirement for approximately $10,500,000.

So, Mr. Speaker, the appropriations in this resolution for the Veterans' Administration are entirely for compensation, pensions, and readjustment benefits payments that are due to increasing numbers of veterans. More veterans are availing themselves of education benefits. This is good. Legislation has been enacted by the Congress in the last year to raise many of the payments to more realistic levels. The additional costs are reflected in this bill. The funds for payments will be required late this month or at the latest, in May. These payments are mandatory at this time, and I recommend the adoption of these recommendations as proposed in this resolution.

DISASTER ASSISTANCE AND LOAN PROGRAMS

Mr. MAHON. Mr. Speaker, one of the larger items in this bill involves the disaster loan programs of the Small Business Administration. The hearings with respect to this matter were conducted by the subcommittee headed by the gentleman from New York, (Mr. ROONEY). I am glad to now yield to him for an explanation of the necessity for this appropriation of $265 million.

Mr. ROONEY of New York. Mr. Speaker, I thank the distinguished chairman of the full Committee on Appropriations of the House, the gentleman from Texas (Mr. MAHON), for inviting me to explain this item. I do not believe we will have the slightest problem with this chapter because the $265 million request of the Small Business Administration to add to their disaster loan fund is for moneys that will be repaid. The total as I said is $265 million. Primarily this requested increase in capital is due to the fact that there was an earthquake in southern California. It also concerns other areas where there have been hurricanes as well as a flood situation in Puerto Rico, all of which must be taken care of so that these private citizens and private companies may apply for repayable loans and so that sufficient moneys will be available in the disaster loan fund to meet their applications, if approved.

Mr. Speaker, I suggest that this be approved in toto.

Mr. MAHON. Mr Speaker, the chapter of the bill just referred to, as you have heard, relates to disaster loans handled under the auspices of the Small Business Administration. For grants as a result of disasters—not loans, but

grants—the gentleman from Oklahoma, (Mr. STEED) chairs the subcommittee that held hearings on the $25 million request for disaster relief assistance. I now yield to him for remarks about the necessity for this item.

Mr. STEED. I thank the gentleman for yielding.

Mr. Speaker, as a result of the omnibus bill on disaster aid that was passed by the Congress last fall, the Office of Emergency Preparedness has had to deal already this year with 38 disasters which have depleted the disaster relief assistance fund. The $25 million included in this bill is urgently needed not only to carry out relief work already underway but to have some margin to meet any disasters that may occur between now and July 1.

So, Mr. Speaker, this is a very urgently needed item and it ought to be approved.

Mr. MAHON. Mr. Speaker, there was virtually complete agreement among the members of the Committee on Appropriations in regard to the appropriations in this urgent supplemental measure. The regular supplemental bill which we expect to report in about two weeks or so will be a much larger measure containing many provisions. I believe the need and the urgency for this legislation being passed has been adequately explained.

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

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

Mr. GROSS. I thank the gentleman for yielding.

Are there funds in this urgent emergency supplemental for pay raises?

Mr. MAHON. No; the pay raise supplementals will come later with a large number of other items—in the second supplemental bill.

Mr. GROSS. But not in this bill?

Mr. MAHON. Not in this bill. These were items that were lifted out because the funds are needed in the next few days, really, or certainly before Congress will probably finalize the general supplemental bill. It was thought that if we had a joint resolution that was noncontroversial it could be passed through the House and the Senate and promptly enacted into law and the funds made available, such as for the programs of occupational health and safety, disaster relief, disaster loans, and veterans' benefits which are required by law.

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

Mr. MAHON. Mr. Speaker, I yield back the balance of my time.

Mr. JONAS. Mr. Speaker, I move to strike the last two words.

Mr. Speaker, the distinguished chairman of the committee, the gentleman from Texas, and the chairmen of the subcommittees have adequately explained this urgent supplemental joint resolution. I, therefore, shall not take the full 5 minutes.

However, I would like to proceed long enough to say that there is no opposition on this side of the aisle to the passage of this legislation. We concur in the view expressed by the distinguished chairman of the committee that this money is necessary to continue our veterans programs, to move forward on occupational safety and health and to provide funds necessary for disaster relief.

As the gentleman from Texas has said, most of these items are lifted out of the second supplemental bill, lifted out because they are of particular urgency right now due to the time factor that is involved.

As the gentleman from Massachusetts (Mr. BOLAND) has stated, the principal items in this bill are for the Veterans' Administration. An additional sum of $302 million has been requested, and included in the joint resolution for readjustment benefits. There is also included some $433 million for additional money with which to pay compensation and pension claims that accrue by law. I know of no way to avoid paying these items. They are mandatory. It is incumbent upon the Congress to make the funds available when the funds are required to discharge the obligations. That is why we bring to the House today these few items in an urgent supplemental in an effort to get the joint resolution through the Congress at the earliest possible date.

Mr. Speaker, as a part of my remarks, I ask unanimous consent to include a summary of the entire bill and a special analysis of the readjustment benefits section and the compensation and pension sections of title I of the joint resolution.

The SPEAKER pro tempore (Mr. BOLLING). Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The material referred to follows:

Summary of urgent supplemental appropriation bills

[In thousands of dollars]

H. DOC. NO. 92–73

VA, readjustment benefits. (Due primarily to increased caseload of veterans participating in academic and on-the-job training programs, plus impact of new legislation (P.L. 91–584, P.L. 91–666)	$302,200
VA, compensation and pensions. (Almost 80 percent is due to new legislation enacted subsequent to budget submission (P.L. 91–262, 91–376, 91–588). Rest is due to caseload increase and average unit costs)	433,779
HEW, occupational safety and health program. (Budget request was for $5,315,000 to fund 139 new positions to establish the National Institute for Occupational Safety and Health and fulfill the mandate of the Williams-Steiger Occupational Safety and Health Act of 1970 (P.L. 91–596), which takes effect April 28. Subcommittee reduced the request to $4 million)	4,000

H. DOC. NO. 92–60

Labor, occupational safety and health program. (Budget request was for $10,900,000 for start-up costs for implementation of the Williams-Steiger Act. Subcommittee reduced to $7,818,000 ($3.7 million salaries and expenses, $4 million in grants to States, $118,000 for transfer to the fund created by sec. 44 of the Longshoremen's and Harbor Workers' Compensation Act).)	7,818
Occupational Safety and Health Review Commission. (Budget request was for $100,000 for 10 positions, library and other facilities as start-up costs to prepare for adjudicatory functions under the Williams-Steiger Act. Subcommittee reduced to $75,000)	75

H. DOC. NO. 92–72

Disaster relief. (Larger than anticipated number of disasters has caused an estimated deficiency in the President's Disaster Fund, administered by the Office of Emergency Preparedness. The 2 largest expenditures for the fourth quarter are $20 million for the Los Angeles earthquake and $11,084,000 for the Texas hurricane (Celia).)	25,000
SBA, disaster loan fund. (Disaster losses eligible for assistance from the disaster loan fund were underestimated, due primarily to the Los Angeles earthquake ($242 million) and Hurricane Celia ($175 million).)	265,000
Total Appropriations Committee recommendation	1,037,872

(Original budget request, $1,042,294,000.)

READJUSTMENT BENEFITS

For an additional amount for readjustment benefits, $302,200,000, to remain available until expended.

VETERAN'S ADMINISTRATION—READJUSTMENT BENEFITS

Additional funds in the amount of $302,200,000 will be required to supplement the initial appropriation for 1971. The continued wide publicity given to VA's educational programs, together with recent increases in educational allowances, have increased 1971 requirements beyond original estimate.. In addition, new legislation has generated $19,200,000 of the total $302,200,000 supplemental requirement. Obligations incurred against these funds arise by operation of law and are not administratively controllable.

[In thousands of dollars]

Increases under present legislation:	
Post-Korean conflict veterans—increased average payments and increased demand by eligible veterans for academic and on-the-job training. 1,568,000 trainees compared with a September 1970 projection of 1,394,000 trainees	$275,000
Sons and daughters—Increased participation in this group of veterans' dependents. 52,300 trainees compared with a September 1970 projection of 45,900 trainees	8,000
Total increases under present legislation	283,000
Increases resulting from new legislation:	
Public Law 91–584—Liberalization and expansion of certain educational benefits:	
Eligibility of servicemen for GI bill benefits—Reduces the 2-year active duty requirement to more than 180 days, adding 20,000 trainees in 1971	5,000
Apprenticeship and on-the-job training—Liberalizes the conditions under which training allowances may be paid	1,200
Correspondence school training—Bases payment upon the lowest extended time payment plan or actual cost to the veteran	4,100

Increases resulting from new legislation—Continued	
Extends VA educational benefits to wives and children of servicemen who have been listed for more than 90 days as missing in action or prisoners of war, estimated trainee load of 200 wives and 100 children in 1971	200
Public Law 91–584 total	10,500
Public Law 91–666—Automobiles and other conveyances for disabled veterans:	
Increases from $1,600 to $2,800 the amount allowed toward the purchase price of an automobile or other conveyance for disabled veterans, also certain servicemen, and helps pay for adaptive automobile equipment	8,700
Total increases for new legislation	19,200
Proposed 1971 supplemental	302,200

COMPENSATION AND PENSIONS

For an additional amount for "Compensation and pensions," $433,779,000, to remain available until expended.

VETERANS' ADMINISTRATION—COMPENSATION AND PENSIONS

Additional requirements of $433,779,000 are needed to make payments authorized by law. Nearly 80 percent or $344,964,000 of this total, is due to legislation enacted subsequent to the initial budget submission. The balance, or $88,815,000, is required to cover unforeseen increases in caseloads, particularly in the Vietnam era category, and higher than planned average payments, especially veterans pension, which manifested themselves in 1970 after the 1971 budget request was submitted to Congress. Obligations incurred against these funds arise by operation of law and are not administratively controllable. Requirements by major category are as follows:

[In thousands of dollars]

Compensation:	
Veterans: Public Law 91–376, approved August 12, 1970, increased most rates of disability compensation on the average by approximately 11 percent effective July 1, 1970, and is estimated to increase costs in 1971 by $217,943,000. Additionally, Vietnam era veterans continue to come on the rolls at a greater than anticipated rate and is estimated to increase costs by $51,244,000. Total veterans compensation	$269,187
Survivors: Public Law 91–262, approved May 21, 1970, increased rates to certain "children alone" cases effective July 1, 1970, and is estimated to increase costs in 1971 by $3,612,000. Public Law 91–376, approved August 12, 1970, authorized the payment of benefits to certain remarried widows effective January 1, 1971, for an added cost in 1971 of $2,549,000. Total survivors compensation	6,161
Pensions:	
Veterans: Public Law 91–588, approved December 24, 1970, and effective January 1, 1971, increased rates and income limitations for veterans and is estimated to increase costs in 1971 by $71,015,000. Additionally, there is an increasing trend being experienced in the average payment for this category. This is attributable to more veterans, especially World War I and World War II, becoming eligible to receive the higher "aid and attendance" and "housebound" rates. It is estimated that 1971 costs will increase $29,171,000. Total veterans pension	100,186
Survivors: Public Law 91–376, as it did for survivors compensation, authorized the payment of benefits to certain remarried widow pensioners effective January 1, 1971, and is estimated to increase costs in 1971 by $1,720,000. Public Law 91–588, as it did for veterans, increased rates and income limitations for survivor pensions and is estimated to increase costs in 1971 by $43,985,000. Total survivors pension	45,705
Other:	
Subsistence allowance: Public Law 91–219, approved March 26, 1970, increased the subsistence allowance rates of veteran trainees by approximately 22.7 percent effective February 1, 1970, and is estimated to increase costs in 1971 by $4,140,000. Reprograming of veteran trainees and unit costs caused by the continued buildup of seriously disabled veterans associated with the Southeast Asian crisis will create an additional need in 1971 of approximately $8,400,000. Total other	12,540
Summary of requirements:	
(a) New legislation	344,964
(b) Reprograming	88,815
Total supplemental requirements for 1971	433,779

Mr. DON H. CLAUSEN. Mr. Speaker, will the gentleman yield?

Mr. JONAS. I am glad to yield to the gentleman from California.

Mr. DON H. CLAUSEN. Mr. Speaker, I want to take this time to thank the gentleman who has just spoken, the the gentleman from North Carolina (Mr. JONAS), and the Members who are serving as chairmen of their respective appropriation subcommittees for their effective response in the area of disaster relief, referring particularly on behalf of southern California. I happen to be from the northern part of the State, but I am the ranking minority member on the subcommittee which deals with disaster relief assistance programs. I can tell you that this appropriation is urgently needed. We are most grateful that you are giving it the kind of responsive consideration that you have.

Mr. MICHEL. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, I take this time only to say and concur with what has previously been said particularly with regard to those items having to do with the implementation of the Occupational Health and Safety Act. It is no secret that the administration, obliged as it is to implement the act and have it going by April 28—has in fact hired some competent people to serve in the capacity of the roles which will be required to implement the act. A good many of them have been taken from the Space Agency where there has been a reduction in personnel, but people who possess the talent and expertise to be utilized in this field, where with the reduction in that program there have been some very competent people with engineering and graduate degrees who could be very well utilized, and that work is underway.

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

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

Mr. KEATING. Mr. Speaker, today, the House is voting on an urgent appropriation for the Bureau of Occupational Health and Safety. This additional money was required by the passage of Public Law 91–596, which established a National Institute for Occupational Health and Safety. This new Institute is designed to conduct research into this field, to design educational programs to assure qualified manpower, to train employees to recognize and prevent unhealthy working conditions, to make recommendations for mandatory safety standards, to develop criteria for dealing with toxic and harmful materials, and to maintain occupational health and safety statistics. To take on these new and needed responsibilities, the new Institute will need additional manpower. It is for this reason that we should pass this bill.

I am honored that the Bureau's main activities are located in Cincinnati. The citizens of Cincinnati while proud of our industrial growth, feel a deep responsibility to do everything possible to assure safe and healthy working environments.

When the Bureau becomes the Institute on April 28, it will need additional floor space to keep up with its increased responsibilities. I assure the Members of Congress that the city of Cincinnati will do everything possible to make room for this very important new Institute.

This supplemental appropriations is a major first step that will be followed by additional funds in the 1972 budget.

President Nixon, realizing the great need to expand our knowledge in this area, recommended a $13 million increase in his health message.

To the city of Cincinnati, this will mean an increase in the present staff of 150.

To the Nation, it will mean that we are giving the attention to this area that is so badly needed.

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

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

Mr. STEIGER of Wisconsin. Mr. Speaker, I appreciate the gentleman yielding to me.

I simply want to say that I am glad that the Appropriations Committee has brought this supplemental to the floor, particularly with reference to occupational health and safety. I must admit that on April 22, it will make it somewhat more difficult, I am afraid, for the Department of Labor to do as effective job in the initial stages of the development of this act.

I would hope that those who are concerned about the problems in occupational health and safety will recognize that the dollar amount is less, and the

time is late, and it may not be possible to have as prompt and speedy an implementation of the act as some of us might like to have seen. But I think, to be fair to the Committee on Appropriations as well as to the Department of Labor, that the figure that is contained in this supplemental is clearly legitimate. I think it will give the Department of Labor the tools with which to do the job. I appreciate very much the consideration that has been given by the chairman of the subcommittee and the ranking minority member, the gentleman from Illinois (Mr. MICHEL), who I know have spent a long time on this subject, and I am delighted that it is finally here.

Mr. MICHEL. Mr. Speaker, if the gentleman will yield, I might say to the gentleman that the committee did not get the request for this supplemental until March 23, so we think that we are acting pretty expeditiously in view of that late request.

As has been said, it does have to be implemented later.

Mr. RYAN. Mr. Speaker, today, the House is considering a supplemental appropriation for fiscal year 1971 for the funding of the Occupational Safety and Health Act.

The enactment of the Occupational Safety and Health Act of 1970—Public Law 91-596—was a milestone in the effort to protect the working men and women of this country from the hazards of the workplace. But, as with all legislation, the true proof of the pudding will be how this law is funded. For if we do not provide the sufficient funds to administer this program properly, this law will be nothing more than yet another empty promise. Therefore, the $11.9 million supplemental appropriation considered today is of the utmost importance to the Nation's workers.

Now that this law is beginning to be funded and the programs embodied in it beginning to be implemented, I would hope that the Assistant Secretary of Labor for Occupational Safety and Health will particularly concern his office with the hazard of noise pollution in the industrial environment. In this regard, I would hope that he would act affirmatively in urging passage of the Occupational Noise Control Act of 1971—H.R. 6990 and H.R. 6991—which I introduced on March 30, 1971, on behalf of myself and 35 of my colleagues.

In the report "Noise—Sound Without Value," which was issued in September of 1968, by the Federal Council for Science and Technology, the number of workers in the United States experiencing noise conditions unsafe to hearing was estimated as being "in excess of 6 million and as high as 16 million." Some experts feel that the number of workers subjected to potentially harmful noise levels exceeds the number exposed to any other health hazard in the work environment.

Excessive noise is not merely an irritant to the worker—it is a threat to his health. Excessive noise can inflict damage on the ear, resulting in temporary or even permanent damage to hearing. It has been charged with contributing to such conditions as fatigue, hypertension, high blood pressure, sleep disturbance, and decreased mental efficiency. Loud sounds can cause the blood vessels to constrict, the skin to pale, the muscles to tense, and adrenal hormone to be injected into the blood stream, indicating a probable relationship between noise and emotion-related disturbances.

Certain effects of noise may lead to accidents—noise may directly affect a worker's performance by interfering with the reception of speech, and by masking other auditory warning signals. Noise may also be an indirect cause of accidents, because it increases annoyance and fatigue, and it decreases alertness.

Other effects on workers are still not fully proven, however, the problem is serious enough so that we should not wait for absolutely conclusive scientific proof. As the Federal Council for Science and Technology stated:

Aside from hearing loss, noise may cause cardiovascular, glandular, respiratory, and neurologic changes, all of which are suggestive of a general stress reaction. These psychologic changes are produced typically by intense sounds of sudden onset, but also can occur under sustained high level, or even moderately strong, noise conditions. Whether such reactions have pathologic consequences is not really known and may be unlikely in view of sound stimulation including those of fairly high level. However, there are growing indications, mainly in the foreign scientific literature, that routine exposures to intense industrial noise may lead to chronic physiologic disturbances. A German study, for example, has shown a high incidence of abnormal heart rhythms in steel workers exposed to high noise level in their workplaces. Neurological examinations of Italian weavers, also exposed daily to intense noise, have shown their reflexes to be hyperactive, and, in a few cases, electroencephalography has revealed a pattern of desynchronization as seen in personality disorders. A study reported in the Russian Literature shows that workers in noisy ball-bearing and steel plants have a high incidence of cardiovascular irregularities such as bradycardia. Subjective complaints of extreme fatigue, irritability, insomnia, impaired tactile function and sexual impotence also have been made by workers repeatedly exposed to high level industrial noise.

The only present Federal standards relating to noise in industry are those regulations promulgated under the 1936 Walsh-Healey Public Contracts Act. However, these standards only cover a small portion of the working population, being applicable only to firms having Government procurement contracts over $10,000.

Furthermore, though a step in the right direction, these standards are demonstrably too lax to protect the majority of working individuals. Scientific studies very clearly establish that the average individual will sustain permanent hearing loss if subjected to prolonged exposure to noise levels of 85 decibels or more. Yet, the standards under Walsh-Healey afford no more protection than a limit of 90 decibels for the normal workdays. Under this standard, thousands of American working men and women incur irreparable hearing loss.

It is interesting to note that in January 1969, the outgoing Johnson administration proposed tougher noise standards, which would have restricted the allowable noise exposure for an 8-hour day to 85 decibels. But the Nixon administration chose to disregard these proposed standards and promulgate the 90-decibel standard instead.

On December 29, 1970, the Occupational Safety and Health Act of 1970—the act for which we are considering funding today—was enacted into law. This act will go into effect on April 28 of this year, and standards promulgated under it will supersede standards which have been set under the Walsh-Healey Act. Under the Occupational Safety and Health Act, the authority of the Federal Government to regulate industrial safety will be broadened to extend to all businesses affecting interstate commerce—a major improvement over the limited reach of the Walsh-Healey provisions, which are applicable only to firms which have Federal contracts totaling $10,000 or more during the course of 1 year. However, at least at the outset, the noise levels to be promulgated under the Occupational Safety and Health Act will be the stand as the old Walsh-Healey standards.

In order to insure more adequate protection for workers from excessive and harmful noise I introduced, on March 30, the Occupational Noise Control Act of 1971, H.R. 6990 and H.R. 6991. This legislation, part of a comprehensive four-bill antinoise pollution package, would amend the Occupational Safety and Health Act to direct the Secretary of Labor to promulgate noise exposure limitations no less protective than provided in the following table:

Permissible noise exposures

Duration per day, hours:	*Sound level dBA*
8	80
6	82
4	85
3	87
2	90
1½	92
1	95
½	100
¼ or less	105

Thus, my bill produces an across-the-board reduction of 10 decibels from those levels currently in effect. Because of the workings of the decibel scale, a reduction of 10 decibels means that the perceived loudness would be cut in half. This would be a major step toward making our factories, construction sites, and other places of work more tolerable—and less unhealthy—for the American workingman.

Thirty-five Members of Congress have joined me in cosponsoring the Occupational Noise Control Act of 1971. They are: Mrs. ABZUG, Mr. ADDABBO, Mr. BADILLO, Mr. BEGICH, Mr. BIAGGI, Mr. BINGHAM, Mr. BRASCO, Mr. BURTON, Mr. CLEVELAND, Mr. CONYERS, Mr. DELLUMS, Mr. DOW, Mr. EDWARDS of California, Mrs. GRASSO, Mr. HALPERN, Mr. HARRINGTON, Mr. HECHLER of West Virginia, Mr. HELSTOSKI, Mrs. HICKS of Massachusetts, Mr. KASTENMEIER, Mr. KOCH, Mr. LEGGETT, Mr. MIKVA, Mr. MITCHELL, Mr. MOORHEAD, Mr. PEPPER, Mr. PODELL, Mr. RANGEL, Mr. REES, Mr. ROE, Mr. ROSENTHAL, Mr. ROYBAL, Mr. SCHEUER, Mr. SEIBERLING, and Mr. WOLFF.

In almost all cases, the technology for a quieter industrial environment does not have to be invented—it is already available. What is needed is a national policy that will prevent workers being

subjected to excessive and unhealthy noise levels. The time for the institution of such a policy is now.

Mr. TEAGUE of Texas. Mr. Speaker, I wholeheartedly support the urgent supplemental appropriation bill of 1971 which is now being considered as it pertains to our veterans' program.

Mr. Speaker, it is my opinion that the 91st Congress passed the best and most comprehensive legislative program benefiting America's veterans and their dependents that has ever been passed during the 23 years I have been privileged to serve in the Congress. The House Veterans' Affairs Committee which I am privileged to chair has always been nonpartisan toward the problems of veterans, particularly the disabled, widows of veterans' and veterans orphans. Practically all of the legislation reported by our committee has passed the House without a dissenting vote. I want to pay special tribute to my colleagues on the Veterans' Affairs Committee—both Republicans and Democrats—for their great statesmanship and hard work in the committee which enabled us to present to the full House the type of sensible legislation which could be passed with such great unity. The 91st Congress passed legislation which increased benefits of direct payments to veterans and their dependents by over three-quarters of a billion dollars per year.

Mr. Speaker, among the major legislative achievements of the 91st Congress were measures—

Increasing by 8 percent service-connected compensation for 2 million disabled veterans;

Increasing by 10 percent compensation for over 170,000 widows and dependent children of deceased servicemen;

Providing $155 million in additional medical care funds above the original budget request to improve care for America's sick and disabled veterans;

Increasing education and training allowances, by 35 percent for returning Vietnam veterans and other ex-servicemen;

Liberalizing veterans' housing assistance by providing increased loan limitations from $17,500 to $21,000 for veterans living in small towns and rural areas, increased housing grants for seriously disabled from $10,000 to $12,500 and creating a new historic mortgage insurance program for these veterans, and direct and guaranteed loans for mobile homes and removing deadlines for use of housing entitlement for World War II and Korea veterans;

Increasing nonservice pension rates by 8 percent and income limitations for veterans and widows assuring that none will have pensions reduced because of a 15-percent increase in social security;

Liberalizing terms and increasing insurance coverage from $10,000 to $15,000 for those serving in the Armed Forces of the United States;

Preserving disability compensation evaluations in effect for 20 or more years;

Liberalizing Federal payments, and grants to State veterans' homes;

Liberalizing nursing care and outpatient care benefits for service-connected veterans to help provide complete medical care services; and

Increasing by $1,200 the amount allowed for the purchase of specially equipped automobiles for disabled veterans and extending these benefits to certain active duty military personnel.

Mr. Speaker, it is my understanding that the Committee on Appropriations will soon bring before this body a bill containing supplemental funding for the balance of 1971 for the Veterans' Administration hospital program. The Office of Management and Budget has prevented the Veterans' Administration from seeking all of the necessary funding which is needed to provide a proper level of medical care in the VA hospital system for the balance of 1971. In fact, the Office of Management and Budget has forced the Veterans' Administration to absorb over $43 million of increased costs during this fiscal year, all of which should have been a part of the Administration's supplemental budget request.

Mr. Speaker, I hope the Appropriations Committee will take appropriate corrective action in the regular supplemental bill, which we will consider at a later date, to insure restoration of funds for fiscal year 1971 for veterans' medical care which the Office of Management and Budget has endeavored to deprive from our wounded, sick, and disabled veterans.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the joint resolution.

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

GENERAL LEAVE

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members desiring to do so may have 5 legislative days in which to extend their remarks on the urgent supplemental appropriation measure just passed.

Further, Mr. Speaker, I ask unanimous consent that I may be permitted to revise and extend my remarks, and to include therewith certain pertinent inserts.

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

There was no objection.

LEGISLATIVE PROGRAM

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

Mr. GERALD R. FORD. Mr. Speaker, I have asked for this time for the purpose of asking the distinguished majority leader the program for the balance of this week, if any, and the schedule for next week.

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

Mr. GERALD R. FORD. I yield to the gentleman from Louisiana.

Mr. BOGGS. In response to the inquiry of the distinguished minority leader, there is no further program scheduled for the balance of this week, and it is my intention to ask that we adjourn over until Monday at the conclusion of today's session.

Mr. Speaker, on Monday we have District day, and there are six bills:

H.R. 2598, the K–9 Corps expansion,

H.R. 2600, to equalize retirement benefits for policemen and firemen,

H.R. 6417, to amend ABC Act on retail licenses,

H.R. 2894, to incorporate the Paralyzed Veterans of America,

H.R. 6105, to incorporate the Merchant Marine Veterans Association, and

H.R. 5765, 6 months' extension for the report of the Commission on the Organization of the District of Columbia Government.

On Tuesday we will have House Resolution 28, to provide funds for the Committee on the District of Columbia;

House Resolution 282, to provide pay comparability adjustments for certain House employees whose pay rates are specifically fixed by House resolutions;

House Resolution 288, Foreign Affairs Committee investigation funding; and

House Resolution 320, transferring jurisdiction of the Subcommittee on Foundations of the Select Committee on Small Business to the Committee on Banking and Currency.

Also we will have H.R. 2166, oleomargarine amendment to Food, Drug, and Cosmetic Act, with an open rule and 1 hour of debate.

H.R. 5674, Commission on Marihuana and Drug Abuse authorization, again with an open rule and 1 hour of debate.

On Wednesday we will have H.R. 6444, the railroad retirement annuity increase, with an open rule and 1 hour of debate followed by H.R. 5066, a bill to authorize appropriations to carry out the Flammable Fabrics Act, subject to a rule being granted.

For Thursday and the balance of the week, we will have seven funding resolutions from the Committee on House Administration. We will also have H.R. 5208, the Coast Guard authorization, subject to a rule being granted, and H.R. 6479, towing vessel licensing bill, also subject to a rule being granted.

And, of course conference reports, as the gentleman knows, may be brought up at any time, and that any further program will be announced later.

ADJOURNMENT OVER

Mr. BOGGS. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet on Monday next.

The SPEAKER pro tempore (Mr. BOLLING). Without objection, it is so ordered.

There was no objection.

DISPENSING WITH BUSINESS IN ORDER UNDER CALENDAR WEDNESDAY RULE

Mr. BOGGS. Mr. Speaker, I ask unanimous consent that Calendar Wednesday business on Wednesday next be dispensed with.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

PRESIDENT NIXON'S REQUEST FOR FOREIGN AID

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

Mr. PASSMAN. Mr. Speaker, yesterday we received the President's message requesting funds for foreign aid and assistance for fiscal 1972. Let me say at the outset that in my opinion we have never had a bad President. President Nixon is a great President, but I recognize that Presidents often have very little personal knowledge of the voluminous messages sent to Congress in their names. According to a computer analysis, it would require 4,502 individuals to do and say all the things that are issued either by or through the Office of the President.

The President's message indicated that he requested $3,200,000,000 for foreign aid. This represents only the amount requested under title I. The actual amount included in the new and formal request for foreign aid and assistance for this year amounts to $13,517,628,000. The message that came to Congress yesterday represents only one of 27 spigots of foreign aid and assistance.

Fortunately, when the President speaks, he gets coverage on the front pages of the newspapers, but when I supplement the President's facts with additional facts, it is seldom carried by the press. Therefore, I shall place in the RECORD at this point an itemized list of the total request for foreign aid and assistance for this year, repeating if I may, what you read in the President's message represents less than 25 percent of the grand total requested.

I hope the Members will read the CONGRESSIONAL RECORD tomorrow and get the exact figure of the total aid and assistance requested for this calendar year or, if you please, the next fiscal year.

New requests for foreign aid and assistance—fiscal year 1972

International security assistance	$1,993,000,000
International organizations and programs	168,000,000
Bilateral assistance	1,077,000,000
President's foreign assistance contingency fund	100,000,000
Inter-American Development Bank	500,000,000
Inter-American Development Bank (supplemental)	486,760,000
International Bank for Reconstruction and Development (supplemental)	246,100,000
International Development Association	320,000,000
Asian Development Bank	40,000,000
Asian Development Bank (supplemental)	60,000,000
Expanded multilateral assistance	35,000,000
Receipts and recoveries from previous programs	370,310,000
Military assistance (in defense budget)	2,250,800,000
International military headquarters	74,400,000
Economic assistance (in defense budget)	90,900,000
MAAG's, missions, and military groups	262,600,000
Permanent military construction—foreign nations	106,000,000
Export-Import Bank, long-term credits	2,445,000,000
Export-Import Bank, regular operations	1,195,639,000
Peace Corps	71,200,000
Ryukyu Islands	4,450,000
Migrants and refugees	8,650,000
Public Law 480 (agricultural commodities)	1,320,400,000
Contributions to international organizations	160,680,000
Education (foreign and other students)	51,000,000
Trust Territories of the Pacific	59,739,000
Latin America Highway (Darien Gap)	20,000,000
Total new requests—foreign aid and assistance—fiscal year 1972	13,517,628,000

By way of explanation of my statement that Presidents are not familiar with all statements issued in their names, remember that if you operate a small filling station on a cash basis with two attendants, the two attendants make 60 percent of the decisions. Contrast this with over 6 million Americans on the payroll—military and civilian—2,814 Federal agencies, bureaus, and departments, a $230 billion annual budget with Ambassadors and thousands of staff members scattered in 130 nations of the world. This should make it easy for even the President's staff to understand that at least I know that most of these messages and public utterances are the composition of some trusted bureaucrat, even though they say they are from the President.

I have heard it said already this year hundreds of time. "The President's budget requested this or that." Yet the budget is so voluminous that it requires several weeks to read it in detail. So it is the President's budget in name only, not in detail.

COMMUNIST-LED DEMONSTRATORS

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

Mr. ICHORD. Mr. Speaker, considering the past history of violence in some of the massive antiwar demonstrations Washington has witnessed in recent years and because the sponsors of the forthcoming "Spring Antiwar Offensive" have endorsed confrontation, obstruction, and disruption as part of their program over the 2-week period of protest due to begin this Saturday, I am deeply concerned that the concept of violence is an integral part of a significant portion of today's "peace movement" philosophy.

The so-called offensive, which will be conducted by the Communist-dominated National Peace Action Coalition—NPAC—and the People's Coalition for Peace and Justice—PCPJ—is designed to take advantage of the natural desire of all Americans to achieve peace and stability in the world. The fact that NPAC and PCPJ are principally run by elements whose avowed aim is the ultimate triumph of communism and the embarrassment and eventual destruction of our own system of government does not seem to deter their followers, including a number of Members of this Congress. There is no doubt about it. In an area where issue exploitation is the name of the game, the divisive war in Vietnam and other troublesome issues have given Trotskyite Communists, regular Communists and other types of marxists an air of respectability. But as I suggested in a speech to this House on April 6, 1971, the sincerely motivated seekers of a meaningful and just peace, who have endorsed NPAC or PCPJ in the upcoming demonstrations, should be prepared to accept the consequences of threatened violence.

I firmly believe that while all American citizens have the right to peaceably assemble and petition their Government for a redress of grievances, real and imagined, no organization should be allowed to employ intimidation, unlawful coercion, or violence to impose its will to achieve its aim.

If violence does occur from the tactics of protest planned by NPAC and PCPJ, not only will the rights of the great majority of our citizens be endangered but a relatively small percentage of dissenters will have trampled severely on the image and intent of the great majority of the demonstrators. The rule of law which is the foundation of our free system will have received another damaging blow.

There have been clear indications that the various groups making up the PCPJ are formulating plans for disruption without benefit of PCPJ coordination in any one single action.

Last Tuesday night, on local television, I saw and heard Rennie Davis—one of the PCPJ leaders—outline the group's plan to engage in civil disobedience designed to disrupt the city of Washington in general and the Federal Government in particular. Davis says PCPJ participants intend to block access to bridges and major arteries feeding into and through the Nation's Capital, obstruct entry by employees to key Government agencies, and pursue such activities as sit-ins and stall-ins to bring the wheels of Government to a halt.

I saw and heard the leftist militants' principal attorney, William Kunstler, defend Davis' call for violence in the name of civil disobedience by equating such action with the "Boston Tea Party".

The fact that Rennie Davis has already been convicted of violation of the Federal antiriot law should not be dismissed as insignificant. In this connection, it should be noted that even though the authorities have wisely rejected a PCPJ request for use of Rock Creek Park as an encampment for their followers, Davis has publicly stated he will urge demonstrators to defy the authorities.

Such urgings by the leadership of PCPJ and the failure of NPAC leaders to renounce disruptive acts in the approaching period of demonstrations creates an atmosphere conducive to individual and group defiance of law and order. Those conducting the "Spring Antiwar Offensive" are thus saying, in effect, that they do not believe in the proper and peaceful means provided by our system of government for showing disagreement with policies. They have made it clear that the law of the jungle shall prevail if they have their way.

No responsible Member of this Congress, Mr. Speaker, can condone the law

of the jungle and for that reason I am appalled that some of my colleagues seem to be inclined to simply ignore the realities in a rather blind faith born of wishful thinking that the protest demonstrations from April 24 to May 7 of this spring will be without incident and thus, without violence.

Let me now, Mr. Speaker, briefly alert this House to the plans for the upcoming "offensive"—a word, incidentally, which may describe what we are about to witness in more ways than one.

On April 24, the NPAC has scheduled a rally on the Ellipse beginning at 9 a.m. and then will march in front of the White House starting at 11 a.m. The group will then march to the east steps of the Capitol for a noon rally. The NPAC has notified the chief of the Capitol Police Force that "upwards of 50,000 persons" will participate in this demonstration.

Beginning on Monday, April 26, the PCPJ plans a multitactical action designed to keep Members of Congress from "doing business as usual unless they are addressing themselves to ending the war."

On April 27, the Selective Service Headquarters will be the focal point for the PCPJ's actions.

On April 28, the Internal Revenue Service office building will be the target for PCPJ actions.

On April 29, the Department of Health, Education, and Welfare will be the primary target.

On April 30 the Justice Department will be singled out for picketing and a multitactical action.

On May 1, the Communist May Day, there will be a "Celebration of Peace" tentatively scheduled to be held in Rock Creek Park.

On May 2, there will be a "mass soul rally calling for implementation of the People's Peace Treaty."

On May 3, the Pentagon will become the focal point of action.

On May 4, the Department of Justice will again be singled out for protest action.

On May 5, as part of a nationwide moratorium on business as usual, the two antiwar coalitions will join ranks and march on and encircle the Capitol building, insisting that Congress must stay in session until it has ratified the "People's Peace Treaty," a document drafted in Hanoi which is in complete accord with the Communist position in Vietnam.

The extended period of the demonstrations scheduled by these antiwar groups will have the effect of wearing down law enforcement authorities. Once this happens we can expect full-scale violence. Some of the unconfirmed press information coming in from various sections of the country indicates that there are individuals converging on Washington that are known to be carrying arms, ammunition, and possibly explosives.

The objectives and possible consequences of the antiwar demonstration are a matter of deep concern to all of us, particularly those of us in the Nation's Capital. If lawlessness and disorders are permitted to prevail in Washington during the forthcoming demonstrations, the United States, as a nation, will be greatly weakened in the eyes of its law-abiding citizens and in the eyes of the world. The Attorney General has a responsibility and a definite obligation to make it very clear that civil disobedience and acts of violence designed to disrupt the city and Government will not be tolerated.

While TV and press coverage of statements and news releases of these antiwar groups are apparently leading to a build-up of participation in the demonstrations, there has been almost no press or TV comments made as to the fact that there is considerable subversive influence in the leadership of these groups. For example, my speech of April 6 received very little press attention until NPAC called a press conference for the purpose of repudiating the same.

There are more than 200 million people in this great Nation of ours. All too often a very small minority by banding together in a common effort can create the impression that they speak for the majority simply because they speak louder and are more boisterous. There must be universal awareness in our Nation of the dangers that threaten us. If we continue to operate in a vacuum of seeming indifference, we are permitting the mistaken impression to exist that the noisy and rowdy ones in the street speak for the majority of Americans.

The problem bluntly stated is that neither in terms of adequacy of journalistic coverage nor objectivity are the American people being given a complete and fair picture of the forthcoming antiwar demonstrations. Because the antiwar issue is a subject of extensive public debate and soul searching, I feel it is vital that the American public be given complete information. I recognize the difficulties the press has in covering activities of this type when there are many groups involved. Presenting a balanced picture of what is happening is an immense job. But it is precisely because this issue is so complex and perplexing that the press owes to the American public a higher degree of responsibility than ever before.

If the public is to come to a rational and sound conclusion as to what these antiwar groups truly represent, it is vitally important that the public be provided with the most complete news reports. The country simply cannot afford incomplete coverage of this type of activity. If the press chooses to play up the demonstrations and play down the subversive influence, it is, of course, easy to gain the impression that these antiwar groups are acting entirely in the best interest of their country's welfare.

I want to see the war in Indochina brought to an end as much as anybody. However, national policy, while it must, of course, take into account public opinion, cannot be made by demonstrations designed to turn Washington upside down.

REINTERPRETATION OF SCOPE OF TITLE IV OF ECONOMIC OPPORTUNITY ACT NEEDED

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

Mr. FREY. Mr. Speaker, because of interpretations by the General Counsel of OEO and SBA of title IV of the Economic Opportunity Act, areas of the country with high unemployment among skilled, white-collar workers have been excluded from the benefits available under title IV.

Title IV of the Economic Opportunity Act offers the unemployed person a much better opportunity than under ordinary SBA procedures to receive assistance to establish their own businesses. Such advantages include: first, loans are made directly by the Small Business Administration and not through an intermediary bank; second, the borrower does not have to put up one-half of the money for the new business if it holds promise of jobs for other unemployed persons; third, the credit criteria is more flexible; fourth, the employment schedule is more liberal; and fifth, management training courses are provided to borrowers.

The entire thrust of title IV is to stimulate employment by the creation of new private enterprise. Section 401 states that special attention should be paid to small business concerns—

(1) located in urban or rural areas with high proportions of unemployed or low-income individals, or

(2) owned by low-income individuals.

It is apparent that there is no language that excludes areas of high unemployment among white- or blue-collar workers; for example, areas where there has been substantial unemployment due to layoffs of aerospace and defense workers. Moreover, the legislative history reveals that it was the intention of the Congress that all areas of high unemployment were to be eligible.

However, in practice title IV benefits have only been made available to the unskilled and long-term unemployed persons. The large number of unemployed persons in the Cape Kennedy area, and other areas of aerospace unemployment, are as "disadvantaged" as those in Appalachia. Indeed, the situation is worse there because of the suddenness with which the economic dislocation has taken place. These dislocated persons have been placed upon a depressed job market with little or no chance of employment due to their refined skill levels. Unlike those unemployed in Appalahcia, these persons have incurred substantial financial obligations which they are now unable to make.

The return on the investment by the SBA would be substantially greater than in other so-called "poverty areas" because many of the business ideas these persons have are viable, and force of pride would result in many successes.

The inclusion of these small pockets of aerospace unemployment would result in utilizing the skills and knowledge of these persons in a productive manner, making a significant dent in unemployment in these areas, and creating viable, ongoing enterprises.

I have contacted the General Counsel's office at the Small Business Administration to ask for a clarification of the areas that are eligible for title IV assistance. Hopefully, an objective legal analysis will enable areas such as Cape Kennedy, Seattle, Boston, south California, and others to be eligible for assistance. If not,

then I plan to introduce with cosponsors a bill to expressly include "all areas of high unemployment, whether it be unemployment among skilled or unskilled persons."

VIETNAM

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

Mr. PUCINSKI. Mr. Speaker, the Associated Press carried a story from Paris yesterday:

> According to the chief spokesman of the North Vietnam delegation at the Paris peace talks there will be no problem about rapid repatriation of all of our American prisoners of war by Hanoi if a deadline is announced for total withdrawal of American armed forces from South Vietnam.

I have proposed as one way of breaking this deadlock a moratorium on sending any more troops to Vietnam as replacements. As our boys are rotated and brought back home, having concluded their 12 months of duty, I have proposed that they not be replaced.

For the remainder of the year, we will rotate back home 32,893 troops. The President has asked for a reduction of 100,000 troops. Thus, we will send to Vietnam this year 32,893 replacement troops. If, indeed, the President were to announce a moratorium at this time on the sending of those 32,893 replacement troops, we could get our American POW's released.

So I would hope my colleagues would join me in a discharge petition which I have pending at the desk calling for consideration of a resolution which would urge a moratorium on the sending of troops to Vietnam at this time. I think it is a worthwhile chance.

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

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

Mr. CEDERBERG. Does the gentleman know how many North Vietnamese troops are being rotated, and whether he could urge some plan whereby they could do the same thing in relation to their troops? If they could cease their rotation of troops, we could do so, also. If they would set a date for gradually reducing their troops, we could do so, also.

Mr. PUCINSKI. The gentleman has asked a valid question, but I do not have the answer.

Mr. CEDERBERG. They could take their troops back and we could do the same thing.

PROPOSED ESTABLISHMENT OF A NATIONAL SICKLE CELL ANEMIA INSTITUTE

(Mrs. GRASSO asked and was given permission to address the House for 1 minute, to revise and extend her remarks and include extraneous matter.)

Mrs. GRASSO. Mr. Speaker, today I am introducing legislation which would provide for the establishment of a National Sickle Cell Anemia Institute.

During the early months of this session, I acquainted my colleagues with the great threat which endangers the lives of many of our citizens—the inherited and deadly blood disease known as sickle cell anemia. The disease can only be transmitted to a child when both parents have what is known as the sickle trait—a condition that can be identified through a simple, inexpensive blood test.

Sickle cell anemia is more prevalent than many of the more highly publicized childhood diseases. For example, the dreadful cystic fibrosis occurs once in every 1,400 births; sickle cell anemia occurs once in every 500 births. It can cause strokes or seizures, chronic bone infections, enlarged hearts and livers, and yellow jaundice. Women suffering from the disease bear children at great risk.

This long ignored disease, which claims the lives of half of its victims before the age of 20, has recently received attention through the efforts of WTIC radio and television in Hartford, Conn., to inform its viewers of sickle cell anemia and its effects. Through editorials, special programs and a fund drive, WTIC president Leonard J. Patricelli and his associates have sought to attain priority status for the need to develop a treatment and cure for this dread disease. The Hartford Board of Education, in response to the editorials, tested all children during March in the Hartford schools in grades 7 through 12. Hartford has thus become the first city in the Nation to conduct citywide tests of schoolchildren for sickle cell anemia.

Contributions for the fund drive have been received from a wide variety of sources, with particular credit going to the efforts of high school and grammar schoolchildren. To date, well over $30,000 has been collected and will be used to provide the Center for the Study of Sickle Cell Anemia at Howard University with a full-time director to oversee their program.

The Foundation for Research and Education in Sickle Cell Disease announced that a nationwide drive will begin to alert black Americans, the chief victims of this disease, to the peril of sickle cell anemia. Financed through a $50,000 grant from the Chase Manhattan Bank Foundation, the program will consist of a nationwide network of volunteer groups to make potential carriers aware of the disease and what they can do about it.

Despite these very commendable activities to raise the level of national consciousness about this terrible disease, there exists no coordinated, national attack on the grave problem of finding the most effective treatment and cure for sickle cell anemia. Some limited advancements have been made in the treatment of sickle cell disease, and such a national effort would greatly accelerate the progress now being made to lessen the agony caused by this disease. The need for a concentrated emphasis on sickle cell anemia, similar to proposals for cancer research, is most apparent. It is for this reason, Mr. Speaker, that I have introduced this legislation.

My bill would establish a National Sickle Cell Anemia Institute for the purpose of conducting and supporting programs for the diagnosis, treatment and prevention of sickle cell anemia. The bill would establish traineeships in the Institute and elsewhere in matters relating to the diagnosis, treatment, and prevention of sickle cell anemia.

Nationwide screening programs would be instituted to determine the incidence of sickle cell anemia and its traits among school age children. Counseling and education programs would be developed in consultation with community representatives in order to make individuals and communities aware of the services available under this legislation.

Since an excellent opportunity exists to attend to the health needs of members of our Armed Forces, this bill provides assistance to the Secretary of Defense for screening persons entering the Armed Forces for sickle cell traits.

To oversee the work of the Institute, an advisory board would be established to advise, consult with, and make recommendations on matters relating to the institute.

Mr. Speaker, in my opinion, the establishment of a National Sickle Cell Anemia Institute is vital in our efforts to finally give proper attention to developing a treatment and cure for this disease. The lack of concern up to now has been a national disgrace. The coordinated, national effort which I propose would greatly ease the frightful burdens now endured by thousands of people afflicted with this awful disease.

The text of my legislation follows:

H.R. —

A bill to amend the Public Health Service Act to provide for the establishment of a National Sickle Cell Anemia Institute

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title IV of the Public Health Service Act (42 U.S.C., ch. 6A, subch. III) is amended by adding at the end thereof the following new part:

"PART G—NATIONAL SICKLE CELL ANEMIA INSTITUTE

"ESTABLISHMENT OF NATIONAL SICKLE CELL ANEMIA INSTITUTE

"SEC. 461. For the purpose of conducting and supporting programs for the diagnosis, treatment, and prevention of sickle cell anemia, the Secretary shall establish in the Public Health Service an institute to be known as the National Sickle Cell Anemia Institute (hereafter in this part referred to as the 'Institute').

"FUNCTIONS

"SEC. 462. (a) The Secretary, through the Institute, shall—

"(1) conduct and support (through grants or contracts) research programs for the diagnosis, treatment, and prevention of sickle cell anemia,

"(2) provide training and instruction and establish traineeships and fellowships, in the Institute and elsewhere, in matters relating to the diagnosis, treatment, and prevention of sickle cell anemia,

"(3) provide for nationwide screening programs to determine the incidence of sickle cell anemia and its traits among school age children,

"(4) conduct and support (through grants or contracts) counseling and education programs, developed in consultation with community representatives, to make individuals and communities aware of the services available with respect to sickle cell anemia and to make individuals aware of their chances of carrying the disease, and

"(5) assist the Secretary of Defense in screening all persons entering the armed forces for sickle cell anemia and its traits,

"(b) The Secretary, through the Institute, shall also carry out the purposes of section 301 with respect to research, investigations,

experiments, demonstrations, and studies related to sickle cell anemia, except that the Secretary shall determine the areas in which and the extent to which he will carry out such purposes of section 301 through the Institute or another institute established by or under other provisions of this Act, or both of them, when both such institutes have functions with respect to the same subject matter.

"(c) The Secretary may provide trainees and fellows participating in training and instruction or in traineeships and fellowships under subsection (a) (2) with such stipends and allowances (including travel and subsistence expenses) as he deems necessary, and, in addition, provide for such training, instruction, traineeships, and fellowships through grants to public and other nonprofit institutions.

"Establishment of Advisory Council

"Sec. 463. (a) The Secretary shall establish an advisory council to advise, consult with, and make recommendations to, him on matters relating to the Institute.

"(b) The provisions relating to the composition, terms of office of members, and reappointment of members of advisory councils under section 432(a) shall be applicable to the advisory council established under this section, except that the Secretary may include on such advisory council such additional ex-officio members as he deems necessary.

"(c) Upon appointment of such advisory council, it shall assume all, or such part as the Secretary may specify, of the duties, functions, and powers of the National Advisory Health Council relating to the research or training projects with which the advisory council established under this part is concerned and such portion as the Secretary may specify of the duties, functions, and powers of any other advisory council established under this Act relating to such projects."

LEGISLATION TO EXTEND HEALTH CARE PROVIDED BY SOCIAL SECURITY AMENDMENTS—SAVE THE CHILDREN AND YOUTH COMPREHENSIVE HEALTH PROJECTS

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

Mr. KOCH. Mr. Speaker, I am introducing legislation today with eight of my colleagues from New York, Mr. CELLER, Mr. CAREY, Mr. RYAN, Mr. ADDABBO, Mr. SCHEUER, Mr. BRASCO, Mrs. ABZUG, and Mr. BADILLO, to provide for continued Federal funding for children and youth projects for 5 additional years. There are 67 programs in 29 States delivering comprehensive health care to 450,000 children and youth of lower socioeconomic levels in central cities and rural areas. These children and youth projects represent one of the major reservoirs of experience in comprehensive health care today, especially to the poor children of the country.

The current authorization for this project under title V of the 1965 amendments to the Social Security Act terminates June 30, 1972, at which time 90 percent of the funds will be given to the States so that each of the 50 States might have one such project. It was not the intent of Congress that these existing pilot projects be discontinued, but that they be financed by the States. However, New York State finances being what they are, as is true of most States, it is hardly likely that the State will finance these projects and the result of this will be that the programs will have no funds with which to operate. As important as it is that each of the States have one children and youth project, it is just as important that these existing service projects be maintained and funding continued.

There are nine children and youth projects in New York City. It would be disastrous if these programs were to cease and it would result in a breach of commitment to the community which has looked to these programs for their ongoing care. Since it will be at least 5 to 10 years before there is a sufficient number of group practices able to meet present needs for low-income areas, an extension is required so that these programs will ultimately be able to turn into health maintenance organizations.

Four years of experience in delivering comprehensive health care under title V has proved to be a practical and efficient way to treat children who would otherwise continue to experience crisis-oriented, episodic care. These programs provide medical, dental, nursing, psychological, psychiatric, nutritional counseling, speech and hearing, physiotherapy, medical and dental specialty, and social services on a complete and continuing basis, emphasizing the advantages of preventive care and health maintenance.

The usual encounter of the indigent patient with his local hospital is primarily limited to acute episodes involving illness or accident. These incidents, surrounded as they are by anxiety and unhappiness and treated in crowded and impersonal emergency rooms, have contributed to attitudes of disaffection for the institution. The impersonal, episodic care is characteristic of medical care received by the poor in low-income areas in which few private practitioners remain.

The children and youth projects, by bringing medical and related resources into these areas and by providing a broad spectrum of health services, are responding to the medical and social problems of this population.

The 67 national children and youth projects constitute an experienced, dedicated, and highly trained corps of professional and allied health workers. At present they are delivering comprehensive health care to children in central cities and rural areas where previously there had been a critical lack of such facilities. These programs have been widely accepted and utilized by the communities they serve, and the community residents are among their most enthusiastic supporters.

If authorization for an extension of these programs is not passed during this session of Congress, there will be a dissolution of the children and youth program and a loss of trained personnel in areas where there is already a critical shortage. Minority groups will be deprived of continuous health care and preventive services which are so vitally needed by this Nation's most precious resource: its children.

I urge our colleagues to become cosponsors of this legislation. The programs which are endangered are listed below:

CHILDREN AND YOUTH PROJECTS

REGION I

Director, C & Y Project 602, Beth Israel Hospital, 330 Brookline Ave., Boston, Mass. 02115

Selma Deitch, M.D., Director, C & Y Project 635, State Health Dept., 61 S. Spring St., Concord, N.H. 03301

Alvin Novack, M.D., Director, C & Y Project 651, Hill Health Center, 428 Columbus Ave., New Haven, Conn.

John Connelly, M.D., Director, C & Y Project 659 Bunker Hill Center, 73 High St., Charlestown, Mass. 02129

Anthony Jong, D.D.S., Director, C & Y Project 632, 484 Tremont St., Boston, Mass. 02116

Robert Rosenberg, M.D., C & Y Project 632A, Martha Eliot Center, 33 Bickford St., Jamaica Plain, Mass. 02130

REGION II

Saul Krugman, M.D., C & Y Project 605, N.Y.U. Med. Center, Bellevue Hosp., 550 First Ave., N.Y. 10016

Director, C & Y Project 610, Project PRYME, 67–10 Rockaway Bch, Blvd. Arverne, N.Y. 11692

Katherine Lobach, M.D., Director, C & Y Project 614A, 1175 Morris Park Ave., N.Y. City.

Mutya San Augustin, M.D., Director, C & Y Project 614B, Montefiore Hosp., N.Y. City.

Fred Tunick, M.D., Director, C & Y Project, 628, Brooklyn Jewish Hosp., Brooklyn, N.Y.

Pierre Severgens, M.D., Director, C & Y Project 629, Virgin Islands, P.O. Box 1442, St. Thomas, V.I. 00801.

Director, C & Y Project 630, Beth Israel Med. Center, 10 Nathan Dr., Pearlman Pl., N.Y. 10003.

Fred Green, M.D., Director, C & Y Project 645 Roosevelt Hosp., 430 W. 59th St., N.Y. 10019.

Director, C & Y Project 653, Brookdale Hosp. Center, 9620 Church Ave., Brooklyn, N.Y. 11212.

Director, C & Y Project 655, Drew Neighborhood Health Center, 425 Howard Ave., Brooklyn, N.Y. 11233.

REGION III

Jimmy Rhyne, M.D., Director, C & Y Proj., 606, American Bldg., Rm. 800, Baltimore and South St., Baltimore, Md. 21202.

Director, C & Y Prop. 606A, Community Pediatric Center, Univ. of Maryland School of Med., 412–420 W. Redwood St., Baltimore, Maryland, 21201.

Director, C & Y Proj. 606B, Sinai-Druid Comprehensive Pediatric Center, 1515 W. North Ave., Baltimore, Maryland, 21217.

Director, C & Y Proj. 606C, Greater Baltimore Med. Center, Presbyterian Hosp., 1017 E. Baltimore St., Baltimore, Maryland 21202.

Zsolt H. Koppanyi, M.D., Director, C & Y Proj. 606D, Baltimore City Hospitals, 4940 Eastern Ave., Baltimore, Maryland 21224.

Neil Sims, M.D., Director, C & Y Proj. 609, Johns Hopkins School of Medicine, Baltimore, Maryland.

Director, C & Y Prop. 612, 1701 Fitzwater St., Philadelphia, Penn. 19146.

W. G. Thurman, M.D., Director, C & Y Proj. 613, U. of Va. School of Medicine, 1924 Arlington, Charlottesville, Va. 22903.

Edwin Harrington, M.D., Director, C & Y Proj. 618, Jeff. Med. Coll., 1332 Fitzwater St., Philadelphia, Pa. 19107.

Guilio Barbero, M.D., Director, C & Y Proj. 619, Hanneman Med. Coll., 230 N. Broad St., Phil., Pa. 19102.

Vince Hutchias, M.D., Director, C & Y Proj. 620, Med. Coll. of Pa. 3300 Henry Ave., Philadelphia, Pa. 19129.

Director, C & Y Proj. 623, Comprehensive Health Services Group, 2539 Germantown, Phil., Pa. 19133.

Hilary Miller, M.D., Director, C & Y Proj. 631, 801 N. Capitol, Wash., D.C. 20001.

William Oberman, M.D., Director C & Y Proj. 627, Children's Hosp. 2125 13th St. NW., Washington, D.C. 20009.

James Chappel, M.D., Director, C & Y Proj. 654, Children's Hosp. of Pittsburgh, 1125 DeSota St., Pittsburgh, Pa. 15213.

Yvonne Creteur, M.D., Director, C & Y Proj. 657, Norfolk City HD, 425 W. 35th St., Norfolk, Va. 23508.

REGION IV

Nancy Thornton, M.D., Director, C & Y Proj. 615, Med. Coll. of Ga. Dept. of Ped., Augusta, Ga. 30902.

William Daniel, Jr., M.D., Director, C & Y Proj. 622, U. of Ala. Children's Hospital, Birmingham, Ala. 35233.

Sarah Morrow, M.D., C & Y Medical Director, Guilford Co. H.D., Proj. 625, 300 E. Northwood, Greensboro, N.C. 27401.

David Jones, M.D., Director, C & Y Proj. 626, Le Bonheur Children's Hosp., 848 Adams Ave., Memphis, Tenn. 39103.

Milton Saslow, M.D., Director, C & Y Proj. 636, Dade County Dept. of Public Health, 1350 NW 14th St., Dade Co., Fla.

E. Perry Crump, M.D., Director, C & Y Proj. 637, Meharry Med. Coll. Nashville, Tenn.

Fred Seligman, M.D., Director, C & Y Proj. 638, Univ. of Miami School of Medicine, Miami, Fla. 33152.

Billy Andrews, M.D., Director, C & Y Proj. 656, Univ. of Louisville School of Med., 323 E. Chestnut, Louisville, Ky. 40202.

REGION V

William Morrow, M.D., Director, C & Y Proj. 601, New North Children's Center, 1441 N. Cleveland, Chicago 60610.

Evelyn Hartman, M.D., Director, C & Y Proj. 603, Minneapolis H.D., 250 S. 4th St., Minneapolis, Minn. 55415.

Phil Ambuel, M.D., Director, C & Y Proj. 607, 561 S. 17th St., Columbus, Ohio, 43205.

Gerry Rice, M.D., Director, C & Y Proj. 616, Michigan State H.D., Lansing, Mich.

George Sperry, M.D., Director, C & Y Proj. 617, Barney's Children's Med. Center, 1735 Chapel St., Dayton, Ohio, 45404.

Jean Smelker, M.D., Director, C & Y Proj. 603A, 2016 16th Ave. South Minneapolis, Minn. 55404.

REGION VI

Heinz Eichenwald, M.D., Director, C & Y Proj. 647, Southwestern Med. School, 5323 Harry Hines, Dallas, Texas. 75235.

Jimmy Simon, M.D., Director, C & Y Proj. 648, U. of Tex. Med. Br. Sealy-Smith Med. Bldg., Galveston, Texas 77550.

Director, C & Y Proj. 660, Corpus Christi-Driscoll-Found, Ch. Hosp., Corpus Christi, Texas.

Roger B. Bost, M.D., Director, C & Y Proj. 658, U. of Arkansas Med. Center, 4301 W. Markham, Little Rock, Ark. 72201.

REGION VII

Ned Smull, M.D., Director, C & Y Proj. 604, Children's Mercy Hosp., 1710 Independence Ave., Kansas City, Mo. 64106.

Wilks Hiatt, M.D., Director, C & Y Proj. 621, U. of Kansas, 39th and Rainbow, Kansas City, Kan. 66103.

Alice Moriaty, M.D., Director, C & Y Proj. 641, Topeka-Shawnee County Health Dept., 1615 W. 8th St., Topeka, Kansas 66606.

Charles Kline, DO, P.D. Director, C & Y Proj. 642, Kirksville Coll. of Osteopathy, 800 W. Jefferson St., Kirksville, Mo. 63501.

Robert Kugel, M.D., Director, C & Y Proj. 643, U. of Nebraska School of Med. 42nd and Dewey St. Omaha, Nebr. 68105.

Matilda McIntire, C & Y Proj. Director, Proj. 644, C.H.D. Creighton U., 11th and Dorcas Sts., Omaha, Nebr. 68108.

REGION VIII

William Haynes, M.D., Director, C & Y Proj. 611, Tri County H.D., 180 E. Hampden, Englewood, Colo. 80110.

Edward Dreyfus, M.D., Director, C & Y Proj. 624, Dept. of Health and Hospitals, 657 Cherokee St., Denver, Colo.

K. Dawson, M.D., Director, C & Y Proj. 633, 35 11th Ave., Helena, Mont. 59601.

E. K. Akers, M.D., Director, C & Y Proj. 634, Las Animas-Huerfano Co. State Dept. of Health, 4210 E. 11th Ave., Denver, Colo.

REGION IX

Charles Wellington, M.D., Director, C & Y Proj. 640, Mt. Zion Hosp., 1600 DiVisadero St., San Francisco, Calif. 94115.

Louise Childs, M.D., Director, C & Y Proj. 646, S.H.D., P.O. Box 3378, Honolulu, Hawaii 96801.

Pearl M. Tong, M.D., Director, C & Y Proj. 649, Maricopa Co. H.D., P.O. Box 2111, Phoenix, Ariz. 85001.

Loren MacKinney, M.D., Director, C & Y Proj. 650, East L.A. C & Y Clinic, 929 N. Bonnie Place, LA, 90063.

Director, C & Y Proj. 652, Alamoda Co. H.D., Oakland, Calif.

REGION X

Charles Keck, M.D., Director, C & Y Proj. 639, Seattle King Co., Dept. of Health, 3722 S. Hudson, Seattle, Washington 98118.

THE RIGHTS OF PUBLIC EMPLOYEES

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

Mr. CLAY. Mr. Speaker, last year 69 Members of this body, myself included, cosponsored the introduction of the Public Employee Relations Act. That bill again has been submitted to the House of Representatives and I am joining today with a number of my colleagues to urge that it be promptly considered and approved in this session.

There is a long-standing myth in this country about the status of the millions of men and women who work for our governments. It is and always was a myth, but it dies hard. The myth goes: Men and women who work for government are "public servants" who must be honored to hold such a sacred trust. And because their responsibilities are different in some respects from workers in the private sector, because they are paid from tax dollars rather than from commercial income, they are entitled to none of the rights and protections guaranteed to all other Americans who work for a living.

One does not have to be a student of labor-management relations to see that the myth does not relate to the realities of public employment today. The rapid growth of government, the growing awareness among all Americans of their rights and responsibilities as citizens and as working adults and the extraordinarily complex array of problems facing public bodies today guarantee that even if the myth had a factual basis a century ago, no basis for it exists today. The day of the meek and abused public bureaucrat waiting patiently for handout pay raises and job improvements is over, and we should be happy that it is so. But while attitudes and conditions have been changing the legal structure affecting Federal, State, county, local, and quasi-governmental body employees has not kept the pace.

The Public Employee Relations Act which my colleagues and I have introduced would attempt to bring a measure of order to the field of public employee-employer relations. Today virtually every State and local body approaches the matter from a different direction. What is legal in one town or county can bring a jail term in the next. We would remedy this situation by defining the rights of public employees and establishing as a national policy their right to organize, to bargain collectively, and to secure a contract with their employers.

Long experience since the signing of the Wagner Act has proven the value of a rational, orderly mechanism for protecting the rights of employers and employees through the collective-bargaining process. While many management figures in the private sector bemoan aloud the terms of settlements with their employees, I doubt that any but the most naive would care to return to the days where unions and employee associations did not exist and where, therefore, no mechanism was there for reaching collective accords.

The Public Employee Relations Act would define the rights of public employees, establish a procedure for choosing their representatives through elections and provide other avenues for resolution of complaints by both employees and employers.

The provision of the act establishes binding agreements between management and labor for the arbitration of unresolved grievances and disputed interruptions, and allows either party to go to court to enforce agreements once they have been determined. Finally, as was stated last year, the bill provides for administration of its procedures by a five-man national Public Employee Relations Commission appointed by the President and confirmed by the Senate, and for mediation of disputes and conciliation service.

The time has come—indeed, it came long ago—to assure public employees the rights which their brothers and sisters in private industry have enjoyed for so long.

The trend toward unions for public employees is well established. It is a healthy trend and should be viewed not as a move toward unionized government, but rather as an opportunity to improve the quality of public service. For this to happen, however, there must be proper channels for public management and public employee representatives to meet and agree upon common issues. The Public Employee Relations Act provides those channels.

J. EDGAR HOOVER

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Louisiana (Mr. BOGGS) is recognized for 60 minutes.

Mr. BOGGS. Mr. Speaker, on April 5, before this House, I spoke briefly, expressing certain personal views regarding activities of the Federal Bureau of Investigation and the threat which I believe those activities present to both the spirit and the letter of the Bill of Rights.

On the following day, April 6, in a statement to the press, I amplified the previous remarks, announcing that it was my personal conclusion the Director of the Federal Bureau of Investigation, Mr. J. Edgar Hoover, should resign from the position which he has held continuously since the administration of President Calvin Coolidge.

As my statement said, that conclusion

was reached only "with a great deal of sorrow." For years I have numbered myself among the admirers of this dedicated and able public servant. Under his direction, the Bureau has earned the reputation as one of the most effective investigatory agencies in the world. Mr. Hoover's own patriotism and dedication have never been—and are not now—in the slightest question. Having said these things, however, I went on to say in my prepared statement that "the time has come for Mr. Hoover to retire and make way for younger men, equally dedicated to the goals he has set."

That is why I speak at this hour.

Under the order granted on Monday, April 19, I have come before this House to renew my request for Mr. Hoover's resignation, and to set forth before the Members the basis on which that request is regretfully made.

At the outset, permit me this personal word.

Although I serve as majority leader of this body, I am speaking only for myself. I have not asked and do not ask that Members of my own party associate themselves with either my request or my remarks, except as their own private convictions may move them to do so. Other Members, of both my own party and others, may wish to ally themselves with Mr. Hoover and with the defense of the activities which I shall discuss. For each Member, that is a matter of personal choice.

Although Mr. Hoover was first appointed by a Republican Attorney General, and although he is presently serving under a Republican administration, 60 percent of his tenure has been with Presidents and Attorney Generals of the Democratic Party.

The past, therefore, offers no promise of partisan profit.

Whatever our judgments, they should be and must be taken on the basis of the relevant present, with the national interest transcending any thought of personal or party interest.

On this occasion, as on the occasion of my prior remarks before the House, I am frank to say that I speak from the stirrings of a newly awakened and aroused sense of responsibility.

Over the 26 years of my service in this body, I have concerned myself with what seemed to be the great issues of these trying and traumatic times. Coming here in the year of Pearl Harbor, I have deemed it my first responsibility to devote my energies to those things required for the support of freedom and the keeping of peace around the globe. I should also stress that I have never asked for the resignation of a high Government official.

In addition, I have concerned myself with the strength and success of the economy, with the expansion of our system of personal financial security, with the effective response of the National Government to the infinite needs of a growing nation.

Furthermore, in recent years, I have proudly and willingly given my own best efforts toward securing for all our people those rights as Americans to which the Constitution entitles each of us equally.

For these priorities, I have no apologies or regrets.

They remain my active priorities still.

In common with many of you, I believed it inconceivable that so long as we still lived under a government of laws, rather than men, there would be or could be any serious or concerted effort to abridge the inalienable rights guaranteed from the beginning of our Government.

In common with many of you, I believed that those who forewarned us of the directions we were taking were, in some instances, more dangerous than the dangers they warned against. I responded with impatience to their cries of peril. I was not moved to bestir myself with any great sense of responsibility.

It is apathy, though, that waters the roots of tyranny.

Today I see what until now I did not permit myself to see.

Our apathy in this Congress, our silence in this House, our very fear of speaking out in other forums has watered the roots and hastened the growth of a vine of tyranny which is ensnaring that Constitution and Bill of Rights which we are each sworn to defend and uphold.

That is why I have chosen to break my own silence and speak as I believe it is the responsibility of all who serve the American people to speak.

Almost 200 years ago, soon after the birth of the Republic, Thomas Jefferson wrote that—

> The natural progress of things is for liberty to yield and government to gain ground.

Over the years since the mid century, we have seen that wisdom fulfilled in our midst.

While America's sons have faithfully manned the watchtowers of freedom around the globe, the liberty of our own lives has been yielding steadily before the power, prerogatives, and privileges of government.

I point no fingers and place no blame elsewhere.

What has occurred could not have occurred without our consent and complicity here on Capitol Hill.

Congress by Congress, session by session, vote by vote, we have been surrendering our duty of oversight over those bureaus, agencies, and organizations within the Federal Establishment which are most sensitively involved with the lives and liberties of the people.

The postwar years do not make a proud procession.

Over this period, we have authorized and permitted the bureaus and agencies to assume powers that belong to Congress.

We have established the rule of the dossier.

We have conferred respectability upon the informer.

We have sanctioned the use of bribes and payments to citizen to spy upon citizen.

We have consented to the accused being denied the right to confront his accuser.

But, this is not all.

Our consent to these abridgments of our own heritage has emboldened the bureaus and agencies both to seek and, at times, simply to assume exemption from review by the people's representatives.

More and more of the public money expended by the American Government to monitor the American people is subject to no effective accounting.

More and more of such clandestine activities are subject to no meaningful reporting.

More and more of the devices employed and premises used for the conduct of such activities are off limits even to Members of this body where the power of the people reposes.

More and more of the governing guidelines and policies for such enterprises are withheld not only from the Congress but from even the appointive departmental officials charged with responsibility for oversight of the bureaus and agencies in question.

No Member of this House knows—or can know with any certainty—what the bureaus and agencies involved with the liberties of the American people may be doing.

Furthermore, no Member of this House knows—or can know with any certainty—which or how many such bureaus and agencies may be involved in such activities—where, against whom, or for what purpose.

This is the result—these are the fruits—of our own silence.

Over the postwar years, we have granted to the elite and secret police within our system vast new powers over the lives and liberties of the people. At the request of the trusted and respected heads of those forces, and on their appeal to the necessities of national security, we have exempted those grants of power from due accounting and strict surveillance. And history has run its inexorable course.

Liberty has yielded.

The power of government has gained commanding ground.

Today, as we in the Congress undertake to recover and restore the people's liberty, we find that it is ourselves who are called to account, ourselves who are under surveillance, ourselves who are prisoners of the power which our silence permitted to come into being.

It is in this context that I want to relate to the Members certain of those things which have occurred in regard to my statement on the floor of the House of Representatives 2 weeks ago.

That statement, as you recall, was very brief.

I will repeat it in its entirety:

> When the FBI taps the telephones of Members of this body and Members of the Senate, when the FBI stations agents on college campuses to infiltrate college organizations, when the FBI adopts the tactics of the Soviet Union and Hitler's Gestapo, then it is time—it is way past time, Mr. Speaker—that the present Director thereof no longer be the Director.
>
> The greatest thing we have in this Nation is The Bill of Rights. We are a great country because we are a free country under The Bill of Rights. The way Mr. Hoover is running the FBI today, it is no longer a free country.

The response to those remarks has run a revealing course.

Forthwith, the Attorney General of the United States, John N. Mitchell, issued a statement to the press announcing that

I "had no factual basis whatever" for my remarks. Further, he demanded that I retract my own statement, saying additionally of me—

He has made a reckless and cruel attack upon a dedicated American and an organization of loyal and devoted men and women.

This was followed by another public statement from the Deputy Attorney General of the United States, Mr. Richard Kleindienst.

Mr. Kleindienst denounced my statement as "slanderous, false and irresponsible." Then he went on to make a slanderous statement of his own, suggesting to the press that the majority leader "must have been sick or not in possession of his faculties."

The results of such leadership were as calculated.

Within 24 hours, my office began receiving hate mail from every part of the country, impugning my patriotism, loyalty, and character. Letters of support now outnumber letters of opposition.

Within 48 hours, my office was being telephoned by prominent newspaper columnists to whom had been released what they describe as the bureau's "standard smear sheet"—a dossier of scurrilous accusations against me which was compiled, reproduced, and distributed at taxpayers expense through the Department of Justice and elsewhere in the first hours I spoke.

There was a second line of response, however, which is of significance.

Immediately after my statement to the House, the Director of the Federal Bureau of Investigation chose to reply. He did not challenge or deny my statement that the Bureau is stationing agents on college campuses to infiltrate student organizations. He did not attempt to refute my statement that the Bureau is adopting tactics associated with the secret police of totalitarian regimes. He did not mention the Bill of Rights.

The Director of the Federal Bureau of Investigation carefully chose to direct his entire rebuttal to the first 17 words of my statement. Through the offices of the minority leader of the U.S. Senate, the Director released the following unqualified statement:

I want to make a positive assertion that there has never been a wiretap of a Senator's phone or the phone of a Member of Congress since I became Director in 1952, nor has any Member of the Congress or the Senate been under surveillance by the FBI.

Two terms employed in the Director's statement have very precise meanings. "Wiretap"' refers to a mechanical interconnection with a telephone wire and it is a procedure which everyone in Washington must know has been rendered unnecessary and obsolete by technological advances. The term, "surveillance" also has a precise Webster's dictionary meaning of "keeping a close watch on a person or group."

On April 7, in a national network news interview, the Deputy Attorney General, Mr. Kleindienst, found it necessary to qualify the Director's statement. There have been instances, he conceded, where Congressmen accused of committing specific illegal acts have been under what would properly be called "surveillance."

However, the Deputy Attorney General went further, saying:

But the issue here is whether or not the Bureau has used electronic surveillance or the tapping of telephones of Senators and Congressmen even in a case like that, and the Bureau has not done so.

One week later, on April 14, a Justice Department spokesman was asked whether the Bureau had ever engaged in electronic eavesdropping on any Congressman, and he answered:

The FBI has never installed an electronic listening device of any kind in the home, office, or on the telephone of a U.S. Senator or Congressman.

On the following day, April 15, another inquiry was made. A reporter asked if the Federal Bureau of Investigation had ever used an electronic listening device to monitor the private conversations of a Congressman without actually installing the device.

The Department of Justice refused to answer the question.

At about this time, I realized that I had made what might be regarded as a mistake. My statement before the House was, of course, supported both by personal experience and by information which had come to me regarding the Bureau's activities toward another Member. The mistake which I made was to continue discussing the information which I intended to present to the House on this occasion today.

On the evening of April 16, while watching the Walter Cronkite news program, I came to a better understanding of both present day Washington and the reason that the Director of the Federal Bureau of Investigation had chosen to answer only such a narrow portion of my original remarks.

CBS White House correspondent, Dan Rather, presented this report from which I quote in part:

The White House calls criticism of the FBI "blatantly political" . . . saying it is "designed to create a feeling of fear and intimidation among the public."

As for Boggs, the FBI has told the President Boggs found a wiretap on his phone but has no way of proving whose wiretap it was.

Boggs' case is the one where proof is lacking. Thus the White House is trying to focus as much attention on it as possible. . . . Then saying in effect to all those who question FBI tactics: Put up or shut up.

The information reported by Dan Rather is substantially correct. It is information which I had not reported to anyone within the administration or the White House. The information is this:

In the summer of 1970, my family, members of the staff and myself became suspicious of interference on the telephone lines at my private residence. The Chesapeake & Potomac Telephone Co. was asked to investigate. The investigator determined that a tap had been placed on my private telephone lines but that it had been removed in advance of the inspection. Some time later, the Chesapeake & Potomac Telephone Co. transmitted to me its official report on the matter. That report stated categorically that there was no tap on my lines. Subsequently, I learned that it is the policy of the Washington company and of the regional companies throughout the Bell System to give such reports, denying the existence of a tap, if the tap has been placed by the Federal Bureau of Investigation.

Apart from that information, it was also my intention to present to the House on this occasion an account of the Bureau's activities with regard to Congressman JOHN DOWDY.

On the eve of the return of Congress, when it was expected that I would be addressing the House, selective information regarding the DOWDY case hastily became available. Following the strategy which had been decided upon to silence "all those who question FBI tactics," the Department of Justice frantically undertook to demolish my presentation in advance by redefining their own actions in their own terms.

Members are fully aware now of the ludicrous results.

First. Congressman DOWDY's telephone conversations, we were told, had not been "tapped," they had been "taped." Taped by FBI agents sitting with an informant whom they had intimidated into calling the Congressman for the express purpose of attempting to incriminate him.

Second. Congressman DOWDY's personal conversations, conducted in the privacy of his office here on Capitol Hill, had been recorded on an electronic device, but we were told by the Department that the Bureau's hands were clean. The electronic recording device had not been "installed" in the Congressman's office; it had only been carried in and out of the Congressman's private quarters strapped to the back of an informant in the service of the FBI.

The fact that the Congressman did not know did not make any difference.

As a matter of fact, I was rather amused at the reaction of one of the FBI—or one of the Department's or Bureau's favorites, a little fellow over in Baltimore named Sachs. He had denied the week before that there had ever been any tap on Congressman DOWDY, or any type of surveillance. So when a reporter confronted him with it he said this, and I will read it. He said:

You said last week that no wire taps had been used on the Dowdy investigation, for the last week no wire taps had been used on the Dowdy investigation—

Obviously you cannot believe any of these people—

but said nothing about tape recordings. You said yesterday that the entire surveillance operation was legal.

Then he criticized the Justice Department for their semantics—semantics—how do you like that? And I will give you a quote:

One of the problems of the last ten days has been the fact that the Justice Department has its own glossary which he has not shared with the rest of the world over what it means by electronic surveillance.

Boy, I can say that over and over again, they really do have their own glossary, and it is a very interesting glossary.

Third. Most astonishingly, we were told that none of this constituted "surveillance" in the Department's definition of the term because the informant knew, if the Congressman did not, that the FBI was taping the telephone calls,

and the informant knew, if the Congressman did not, that the FBI had strapped the electronic recording device on his back and that the FBI agents had accompanied him to the door of the Congressman's office and were waiting outside in the corridor.

Fourth. Finally, the Department of Justice denied that this practice in any way contravened Mr. Hoover's traditional assurances that the Capitol and the House and Senate Office Buildings were sanctuaries—sanctuaries which FBI agents were not to enter when following any person under surveillance. The agents were not following the informant and conspirator to the Congressman's office, we were told; they were accompanying him.

Mr. Speaker, I submit that 1984 is closer than we think.

This has been a sorry and saddening spectacle of a great department of this Government caught up in 2 weeks of slander, falsehood, irresponsibility, evasion, and doublethink.

By its own actions, the Department of Justice has now supported and proved every aspect of the statement which I made before the House on April 5.

The account which I have unfolded challenges each of us.

A single voice breaking the silence has drawn back the curtain. Secret policies of which we were unaware have been revealed. Secret practices repugnant to American standards have been disclosed. Secret papers on file with American courts have been opened to public scrutiny. Because of a single challenge, raised in this House of all the people, we know far more now than any of us knew 2 weeks ago about just how much liberty has yielded while the power of government has gained ground, unchecked and unchallenged.

I take no credit. I should have spoken sooner.

Over my 26 years in this Chamber, I have been aware—as each of you has been aware—of the directions in which we have been moving.

I have been aware that in the reality of postwar America the character of the Department of Justice has changed, from an agency solely devoted to the quest for justice into an organ with great potential for political control of the American people.

I have seen every postwar President, Democrat or Republican, except Lyndon Johnson, tacitly acknowledge this new character of the Department by installing their campaign managers or political party chairmen as Attorney General or Deputy Attorney General.

I have seen the size and sweep of the Federal Bureau of Investigation grow and widen and steadily move into closer and closer surveillance of not only the deeds, but the words and thoughts, of the American people.

I have seen the Federal Bureau of Investigation build its legions of informers and spread them through the structure of our society's vital private institutions.

I have seen the Bureau penetrate the labor unions and the corporations and the colleges and the churches and the private organizations, worthy and unworthy, of private citizens.

I have seen the Bureau awaken reporters in the middle of the night to demand their notes on confidential conversations with leaders of America's largest corporations.

I have seen the Bureau harass, intimidate and blackmail the most honored leaders of the black community's struggle for equal rights.

I have seen these things—and many more—but I have remained silent.

Two years ago, though, it became evident to me that the nature and character of the Bureau was undergoing conspicuous change. That change was apparent by what I saw on the Hill and in this Capitol.

I saw—as many others saw—the Bureau lay seige to one of the most honorable and most honored men ever to serve his country in this Congress—John McCormack of Massachusetts.

They showed no compassion for age, no respect for position, no honor for the patriotism and loyalty of a grand American. The records of his telephone calls were seized. His time was taken in endless hostile interviews.

I served at that time as majority whip. I made no secret of my outrage and indignation at what was being done to the career of a good and faithful public servant. I told many of my colleagues that if this could happen to the Speaker of the House of Representatives—the man second in line of succession to the Presidency itself—it could happen to any of us, to any citizen, public or private.

The accuracy of the prophecy was soon brought home to me.

Late in 1969, an employee of the House came to my office and made this report. Agents of the Federal Bureau of Investigation had appeared at the Capitol, and, without my knowledge, demanded the records of all telephone calls placed from my private office for a period of 4 years. The records were not released, but this did not matter. The agents promptly obtained the records they sought from the telephone company.

I did not know what information was being sought or why. I soon learned the answer.

Over a period of 2 months, at the beginning of the election year of 1970, the constituents in my district with whom I talked began receiving telephone calls from the Bureau's agents. Identifying themselves as "FBI agents," they went down the list, one by one, asking those with whom I spoke if on such and such a day they had received a telephone call from Congressman Boggs.

As Members can well imagine, the result was to sow seeds of suspicion and to create a climate of fear in my home district.

The political power of this tactic is beyond measuring.

With no charges, no accusations, no hint of their purpose, the agents of the Bureau were able to create a climate of their own choosing within my own district, as the same tactics could do in the district of any Member.

The effect on me, I readily admit, was as intended.

I said nothing before this House or any other forum.

The Bureau had accomplished its aim of silence simply by letting me know that I was under surveillance.

Months later I learned of the tap which had been on my residence telephone.

Again the result was intimidation that assured my silence.

It was this personal experience, however, which caused me to reconsider and reevaluate my own responsibilities. If a bureau or agency of the Government could with impunity intimidate the Speaker of the House and the majority whip of the House, what Member of either body of the Congress was free of this control.

In this perspective, the events of these past 2 years acquired a new meaning.

I had heard before, as each of you had heard, of various episodes relating to Members of the House and Senate.

I knew that former Senator Ralph Yarborough of Texas had been critical of the Federal Bureau of Investigation and found an electronic surveillance device in the intercom system on his desk.

I knew that former Senator Stephen Young of Ohio delivered a speech critical of the Director of the Federal Bureau of Investigation and promptly found his telephone lines being monitored.

I knew that former Senator William Benton of Connecticut was critical of the Director's friend, Senator Joe McCarthy of Wisconsin, and was shortly advised to use care in speaking over his telephone.

But I realized that where these cases through the years were individual and isolated, the concern for surveillance on Capitol Hill had escalated to a new dimension over the past 2 years.

Senator JOE MONTOYA of New Mexico, engaged in a contest for reelection, had reason to believe his telephone was under surveillance.

Senator BIRCH BAYH of Indiana, engaged in leadership of the confirmation contest over Judge Haynesworth, had reason to believe his private office was under surveillance. He received in his office an official of the Government critical of the Haynesworth appointment. The Senator and the official talked privately and confidentially at the Senator's desk. When the official returned to his office, he was advised that he was under suspicion of having expressed his views to Senator BAYH.

On that evidence, Senator BAYH called in a private expert to search his office in the Senate Office Building for electronic listening devices. The expert located a radio transmission emanating from beneath the carpet of the Senator's office. As an expedient, the expert beat against the spot where the transmission was detected until the radio transmission stopped. It was several days, however, before the Senator's staff could secure the services of the necessary labor to raise the carpet.

When this was finally done, the device transmitting radio signals was gone.

Senator CHARLES PERCY of Illinois related his experience at a hearing on March 22 of the Senate Appropriations Committee. His neighbor discovered that a highly sophisticated listening device—capable of monitoring telephone calls from the Senator's home without direct interconnection to telephone lines—had been installed underneath the chassis of the automobile which was normally parked each night in front of Senator PERCY's home. The device was removed.

Almost immediately thereafter, Senator PERCY's wife discovered two technicians at work on the telephone lines entering the Senator's home. When Mrs. Percy asked their purpose, they would only explain curtly that their activities were for "safety purposes."

When Senator Wayne Morse was in the Senate he was told by a newsman that there was a listening device in his office. He discounted the report whereupon the newsman quoted to him remarks he had made critical of the administration in conversation in the office with his administrative assistant. The newsman said he had been told this by a Government source.

The episodes are too many, occurring too frequenty, to be ignored or disregarded.

Today, there are Members of this body so imprisoned by the climate of fear that they will not use their telephones for the conduct of normal business with constituents or fellow Members.

Today there is not a Member of the U.S. Senate currently active in the contest for the Democratic presidential nomination in 1972 who has not publicly expressed his belief that his telephones are under surveillance.

And today we know that Senator MUSKIE and others were the subject of surveillance by the Federal Bureau of Investigation on Earth Day, 1970.

There is no question here of standards. The Constitution expressly makes clear that Members of the Congress shall not be exempt from accounting before the law for any violations. But that same document embodies in it for the protection of the people the provisions of article 1, section 6. Those provisions provide that Senators and Representatives shall "be privileged from arrest during their attendance at the session of their respective Houses, and in going to and returning from same." That same section also provides that "for any speech or debate in either House, they shall not be questioned in any other place."

These provisions exist in our Constitution because all the experience of representative government through the ages has demonstrated that those elected to represent the people must be protected against the vengeance of a hostile crown.

It is clear, however, in the pattern now in evidence, that for the views expressed in their respective Houses and other forums, Members of the Congress are being questioned in another place—the Department of Justice and the Federal Bureau of Investigation.

The sham is being stripped away.

Until the Dowdy case, it has been the public contention of the Department and the Bureau that all telephone conversations employed as the basis for criminal prosecutions of Members were intercepted inadvertently on surveillance devices installed for purposes of national or international security.

This was the pleading made by the Department in the prosecution of former Maryland Senator, Daniel Brewster.

This was the pleading made by the Department in the prosecution of the Voloshen case, involving Speaker McCormack's office.

Yet, now we find that the Department and the Bureau are engaged in a far more insidious activity which has no real limits.

Furthermore, we learn from the Department's own filings in the Brewster case appeal that the supposed protection of a court authorization for such surveillance is only meaningless. In that case, the Department has argued that the court cannot deny—but can only approve—any request for such authorization.

Let me read one sentence from the Department's petition:

> Since the Executive Branch alone possesses both the expertise and the factual background to assess the "reasonableness" of such a surveillance, the courts should not question the decision of the Executive Branch that such surveillances are reasonable and necessary to protect the national interest.

The net is very clear. If the executive chooses to invoke the national interest, neitheir courts nor Congress should, or under this doctrine, could question its surveillance activities.

Mr. Speaker, not long ago, in a published interview, the Attorney General of the United States, Mr. Mitchell, dismissed what I am describing by saying that Senators and Congressmen are becoming paranoid.

If that is so, however, it is exactly what is intended.

Freedom of speech, freedom of thought, freedoom of acting for men in public life can be compromised quite as effectively by the fear of surveillance as by the fact of surveillance.

We have learned recently that this is a standard objective and tactic of the Bureau.

Formal memoranda of the Federal Bureau of Investigation have disclosed the Bureau's strategy, in establishing surveillance on one campus community, to make the citizens believe that there is an FBI agent behind every mailbox.

By making the Members of Congress believe that there is an FBI agent listening to every telephone call, the Bureau and the Department are elevating paranoia to the level of calculated national policy.

Our society can survive many challenges and many threats.

It cannot survive a planned and programed fear of its own Government bureaus and agencies.

Mr. Speaker, this is not a court of evidence, and I shall not detain the Members longer with accounts of the many episodes which illuminate this dark passage through which we are traveling.

What moved me to speak as I did 2 weeks ago was none of these concerns which I have repeated today. It was, rather, a far more personal experience.

Several days before I spoke, two highly placed career officials of the Department of Justice came to see me here at the Capitol. Their coming was itself an act of courage. But they spoke with me without fear and their petition was this.

Over long and unquestioned careers, they had worked in and with the Federal Bureau of Investigation. They respected and trusted the organization. They believed it to be one of the great assets of our society's freedom and liberty. But their sad conclusion was that the Bureau was being destroyed—being turned into something it had never been—all because it was being used not to perform its mission but to protect the position of its Director.

I will not relate the information which they brought to me about the perverting of this once splendid organization into an instrument of one man's will. But I do ask you to consider with me the evidence which abounds on every hand.

The Federal Bureau of Investigation today is not the Federal Bureau of Investigation of film and fiction. The organization of which we were once so justly proud—and which inspired among us all a sense of security and serenity—no longer exists. The Bureau and the Director of the Bureau must be judged by the present, not the past.

In my mind, in the minds of most of my contemporaries, it has long been fixed that agents of the Bureau were all men who held degrees in law or accounting. That is what we were told and that is what we have believed. Yet the reality is very different.

Only one-third of the agents are lawyers or accountants.

For a decade, the standards have been falling.

This ought not to be.

In my mind, in the minds of most of my contemporaries, it has also been fixed that the Federal Bureau of Investigation is an organization of young men, directed by young men, overseen by young men. Youth itself is no assurance of effectiveness or direction. But it has been reassuring that this was an organization of fine young Americans in touch with their times and giving the Bureau those qualities which youth provides. Yet the reality is very different.

Around the oldest head of any agency in Government there is clustered a small and unchanging guard of old cronies and old friends whose positions are dependent solely upon their relationship with the Director himself.

For a decade, the brighest talents within the organization have been leaving, unable to secure or to expect advancement in their careers.

This ought not to be.

In my mind, in the minds of most of my contemporaries, it has long been fixed that the Federal Bureau of Investigation is the standard to which all other law enforcement agencies should aspire. That lingering legend has, in fact, been the basis of many decisions made here to permit the Bureau to be the center of instruction and training for all the police organizations in the land. Yet the reality is very different.

For a decade, we have seen instance after instance of the Director himself, conducting himself in ways in which no responsible law enforcement executive would permit himself to emulate. He has vented the spleen of personal vendetta against a great Negro leader. He has denounced the Justices of the Supreme Court. He has turned upon his lawful superiors once they and their party were out of office. He has, furthermore, in recent months, seriously compromised the workings of justice by prejudicing grand jury proceedings with proclamations of guilt of defendants 4 months

before sufficient evidence was taken to permit the return of indictments.

This ought not to be.

Mr. Speaker, in this country, it ought not to be that the Federal Bureau of Investigation is devoting itself to surveillance on the children of Members of Congress as this organization has done in the case of the lovely daughter of Congressman HENRY REUSS.

Mr. Speaker, in this country and in this age, it ought not to be that agents of the Federal Bureau of Investigation should be rummaging through wastepaper baskets to collect evidence incriminating another agent of having failed to report on the classroom views of a law professor, as was the case with Agent Shaw. It ought not to be that a loyal agent, such as Mr. Shaw, should be preemptorily and punitively transferred to a distant outpost in Montana to appease the Director's personal petulance. It ought not to be that the Director of the Bureau—or the Director of any agency in the Government—should be permitted to demand that a college dismiss a professor for views expressed in the classroom critical of the Director himself.

Mr. Speaker, in this country, with crime rampant on the streets, with organized criminals penetrating our cities and our corporations and other corners of our life, it ought not to be that the most intensive investigation in the Bureau's recent history is being directed against orders and individuals of a major church. The conduct of the Bureau in its current harassment and intimidation of Catholic liberals is itself demanding of appropriate investigation. Agents have been entering the sanctuaries of convents and holy orders, searching under beds, searching through luggage and personal belongings of nuns and priests, questioning and intimidating servants—all without proper warrants.

Mr. Speaker, in this country, it ought not to be that the Federal Bureau of Investigation is unloosing paid informers and conspirators on campuses to organize and encourage the very demonstrations which its agents are reporting to demonstrate the Bureau's alertness and effectiveness.

Mr. Speaker, in this country, none of these things should be.

The Federal Bureau of Investigation is vital and imperative to our security and to the safety and stability of our society. The existence of the Bureau is not in the slightest question. But that Bureau cannot be what it ought to be—and what it must be—so long as it runs as it is presently run, beyond the oversight, beyond the control, beyond the accountability of our American system.

We here in Congress cannot disregard the challenge to us.

We have before us the testimony of three successive Attorneys General that they had no effective control over the Bureau under its present Director.

We have before us the testimony of the facts that duly constituted committees of Congress no longer are able to secure answers from the Bureau in response to lawful and orderly requests.

We have before us the testimony of the Bureau's own declining competence in service to the Executive. I refer, of course, to the fact that President Nixon himself took a very "bum rap" on both his Haynsworth and Carswell appointments.

In both instances, Senate committees—with their far more limited resources—discovered important and critical information regarding both appointees which the Federal Bureau either did not find or withheld from the Chief Executive.

Mr. Speaker, I repeat: The Federal Bureau of Investigation today is not the Federal Bureau of Investigation we once knew or that most Americans assume it still to be.

The reason is very clear. The Director of that Bureau has clearly overstayed the proper limits of his service. In saying that, let me emphasize that age is not a basis for criticizing Mr. Hoover; on the contrary, age exempts him from criticism that a younger man with the same recent record of performance could not escape.

In no country in the world could a director of a nation's secret police escape censure and removal for what is happening now. The offices of the Bureau have been burglarized and the files of the Bureau have become common knowledge.

The system of informers has turned on its master and is filling the stream of public dialog with disclosures and revelations which only serve to undermine the Bureau's future and further effectiveness. The agents of the Bureau are demoralized and in fear of the pettiness and wrath of the man under whom they work. The standards for recruitment are falling. These are all symptoms of internal disarray and decay which would be acceptable in no other organization, public or private.

Facing this, as we and the Nation must, it is no reassurance to read and hear, as we do, that the White House and the Department of Justice know that change must be made but that they are fearful of acting in what is clearly the national interest.

Has the power of one man become so great that the American system is in paralysis before him?

That question can only be answered by the President himself.

Mr. Speaker, let me say, history has come full circle.

The last time there was a change in the Directorship of the Federal Bureau of Investigation it occurred because of that Agency's disregard of the constitutional separation of powers.

Forty-seven years ago, malfeasance of the worst sort was occurring among officials of the Department of Justice. Voices on Capitol Hill were raised demanding investigations to bring the wrongdoers to justice. What happened then has been described well by one journalist and I would like to read a single paragraph:

> When Senators and Congressmen continued to probe, they themselves became targets of the Bureau of Investigation. The names of Congressional critics of the Bureau were placed on a "suspect list," and detectives were turned loose to trail them, to bribe their servants, to ransack their offices, to dig up some scandal that might be used to silence a critical voice in Congress.

Today we see the pattern repeating once more. Slanderous statements are directed against leaders of the Congress. Smears are circulated to the press.

Members are placed under surveillance at home and office with fine disregard for both the traditions of our system and the meaning of our language. Even the ugly threat of bribery of employees is openly raised.

Only last week, Mr. Speaker, United Press International carried a statement from a Department of Justice attorney who presides over enforcement of the act prohibiting electronic eavesdropping.

The statement by the attorney, James R. Robinson, deserves the attention of all Members.

Mr. Robinson said:

> The idea of the government going to all the trouble of tapping Congressmen's phones is ridiculous. It's much easier to pay off an Administrative Assistant. There's always someone in an office with information.

Then, he added:

> Of course, the Executive Branch would never resort to such tactics, but others have in the past.

Mr. Speaker, so long as this spirit and these attitudes pervade the Department of Justice there must be doubt—there must be fear—here on Capitol Hill, at the heart of the system.

Only the President himself can act to reassure the country. The President can demonstrate that the system still functions by instructing his Attorney General to request and to accept the resignation of the Director of the Federal Bureau of Investigation.

But the questions raised go beyond that solution.

The events now coming to the surface from many quarters clearly reveal that we have permitted to come into being a power and a force with the Government for which no one is accountable and of which no one is knowledgeable.

This is a power which threatens and places in jeopardy those rights and those liberties essential to the survival of our system.

On this matter, as on many other grave matters which have confronted the Nation in the past, there is a need and a demand for a presidential commission to go to the core of this cancer and remove it before the poisons spread further.

Such a commission could review the overall activities of the Federal Bureau of Investigation and establish rules of accountability for the future. I would hope that the President would include Members of the Senate and of this body on the commission.

Mr. Speaker, our liberties have yielded too much.

We must know—we must be able to assure the Ameriacn people that we do know—what the powers of Government are being used for, how they are being used and by whom they are being used in this ugly business of surveillance on the people and their representatives.

I want to thank oll of you for your attention and for listening to me. Thank you very much.

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

CONCERNING MR. HOOVER AND THE FBI

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. HOGAN) is recognized for 60 minutes.

Mr. HOGAN. Mr. Speaker, I am shocked, I am disgusted, and I am upset by the stench of red herring in this Chamber. When the distinguished majority leader last month took the floor to attack the reputation of a great American who has rendered outstanding service to this country for so many years, I was particularly shocked because I was privileged to spend 10 years of my career as an employee of the FBI, and I knew from firsthand knowledge how zealous the FBI and Mr. Hoover are in protecting the rights of citizens.

So when the gentleman from Louisiana came here today, after assuring the public at large that he could prove that his statement was true, that his phone was indeed tapped by the FBI, I came here with an open mind awaiting that proof.

It seemed to me he had two choices when he took the floor today. One, to offer that proof or, two, in the absence of offering that proof, to apologize to Mr. Hoover and the FBI. And it is disappointing and disgusting that he has done neither.

He said his phone was tapped by the FBI and that he had proof of that charge. Where is his proof?

He deplores Gestapo tactics, and infringing on the Bill of Rights. He deplores faceless informers. But he did not give us the name of that nameless telephone company employee who told him that his phone had been tapped, but was not now.

I am here to tell you there is no way for anyone to tell whether or not a telephone has or has not been tapped unless it is currently being tapped. I am here also to tell you that it is a very simple matter for a telephone to be tapped. So, even if his phone had been tapped, what proof is there that it was the FBI who tapped the phone? There are disreputable politicians, there are disreputable newsmen, there are disreputable organized criminals—all who engage in the practice of wiretapping. So, even if he had been able to prove that his phone had in fact been tapped, which he did not, he offered no evidence whatsoever that it was tapped by the FBI.

He talks about the use of semantics. I submit that semantics were used—and used very loosely here today by the terms "Gestapo" and "police state." And anyone with an open mind knows that we do not have that in America.

The gentleman from Louisiana deplores the fact that he and other Members of this body have come under scrutiny. Does he mean to say that Congressmen should be exempt from investigation and prosecution for violations of the law? Should allegations about employees of Congressmen go uninvestigated, and wrongdoing by those employees, or members of the families of Congressmen go uninvestigated and unprosecuted? I submit that they should not.

The gentleman threw in a whole recitation of innuendoes that so-and-so "has reason to believe" that his phone was tapped—so-and-so "has reason to believe" that he had been under electronic surveillance. And then he deplores the alleged tactics of the FBI in infringing the rights of citizens.

Do not Mr. Hoover and the FBI have any rights?

Can a Member of this body besmirch reputations which have been hard earned over decades of service to the people of this country? Is this a one-way street—that criticisims can be leveled against the FBI using the same tactics which are deplored by those making the charges?

Lewis Carroll in "Alice in Wonderland" could explain that better than I can.

When he took the floor on April 5 and said that he had proof positive that his own phone had been tapped, I expected some kind of substantiation of this very, very serious charge. We received no substantiation today whatsoever.

I suggest to my colleagues that the gentleman from Louisiana has failed completely to make his case. His proof positive is the most blatant mixture of innuendos, distortions and misinformation and suggestive nonsense that I have ever heard. The material would be excluded before any hearing body, even a hearing by one of the committees of this House.

The majority leader has alleged that he and his family last summer became suspicious of interference on his telephone in his home in Bethesda and asked the Chespeake & Potomac Telephone Co. to investigate. He went on to say that a company official advised his phone had not been tapped. But that some nameless investigator had assured him that it had been.

Well, I hope our friends in the Press Gallery who are always in such great haste to report criticisms of Mr. Hoover and the FBI will contact that investigator and interview him and see if, in fact, he did say that, and if so, on what he based his conclusion. They should also contact the Chesapeake & Potomac Telephone Co. and see if, in fact, they have a policy to deny telephone taps if the FBI is involved.

To me, this is total nonsense.

POINT OF ORDER

Mr. CAREY of New York. Mr. Speaker, a point of order.

The SPEAKER pro tempore. The gentleman will state the point of order.

Mr. CAREY of New York. Mr. Speaker, did I understand the gentleman in the well to make reference to the gallery?

Mr. HOGAN. Mr. Speaker, may I respond to the point of order?

The SPEAKER pro tempore. The Chair will hear the gentleman.

Mr. HOGAN. Mr. Speaker, I made the observation—I expressed the hope that the gentlemen in the galley would do certain things—but I did not address them.

Mr. CAREY of New York. Was the gentleman referring to the Press Gallery or to the gallery at large?

Mr. HOGAN. I was referring to the Press Gallery.

Mr. CAREY of New York. I think the Press Gallery will pay as little attention to the gentleman's observation as it deserves.

Mr. HOGAN. We will let them be the judge of that.

Mr. GROSS. Moreover, Mr. Speaker, the point of order comes too late.

The SPEAKER pro tempore. The gentleman from Maryland will proceed.

Mr. HOGAN. The reasoning apparently is that since the company said there was no tap, this should be considered as proof that the phone is tapped because the company has a policy to deny there is a tap when the FBI is involved. Thus, we are faced with a ludicrous bit of logic. The telephone company is placed in an impossible position. It can never factually report the absence of a tap because by this tortured logic this really means there really was one by the FBI, according to the majority leader.

I wonder what his logic would declare if the telephone company official had said, "Yes, we found a tap on your phone." I assume that following along this tortured path of reasoning this would mean that, in fact, the FBI had never tapped his telephone.

But beyond this, the majority leader, in a desperate effort to substantiate charges which he must now know look foolish, has charged that an investigator from the telephone company found that there had been a tap on the telephone but it had been removed before his inspection.

The majority leader is knowledgeable of Federal law. He knows that it is a violation of Federal law to tap any telephone, whether it is the telephone of a Congressman or not—except under specific circumstances spelled out in the Federal statute. He failed to tell us whether or not he had reported to the proper authorities this evidence which he obtained from the telephone company investigator about his telephone being tapped. I submit that, as a public official, he has such a responsibility to furnish the name of the individual who has evidence that a telephone was tapped in violation of Federal law.

The FBI has asserted that it has never tapped the telephone of the majority leader at his home or his office—and I am inclined to believe the FBI rather than the majority leader on the basis of the proof—or rather the alleged proof—that I have heard today.

The gentleman from Louisiana makes a big to-do over the fact that the FBI had checked some records of toll calls made from his office and home telephones. He protests that he does not want to imply that Members of Congress should not be subject to investigation when they are involved in possible criminal activities, but at the same time he has declared that he feels such action should first be brought to his attention.

Now, that is a fine thing to say. The facts in this particular situation are that a Federal grand jury in Baltimore, in my home State of Maryland, on September 9, 1969, issued subpenas for the toll call records of the gentleman from Louisiana at his home telephone as well as the records of some other Congressmen and Senators, growing out of a criminal investigation which was being conducted, of which we are all very familiar. The FBI had nothing whatsoever to do with the issuance of those subpenas. After the records were obtained by the grand jury, the Department of Justice instructed the FBI to check a portion of them. This the FBI did, as it was its duty to do.

Now, the majority leader, who is an attorney, must also know that grand jury proceedings are secret, and certainly he would not expect the FBI to violate this rule of secrecy by going to him in advance and so advising him.

I would also ask rhetorically if the gentleman from Louisiana feels that a bank teller who is suspected of embezzling money from a bank should be advised in advance that bank records are going to be subpenaed, or that a Cosa Nostra gambler should be given this courtesy when his toll call records are going to be subpenaed by a grand jury?

Perhaps he does in fact feel that a Congressman should receive special treatment. I do not, and I do not feel that the American people do, either. Elected public officials should be held as strictly responsible for their acts as any other citizen is.

But there is one very interesting contradiction in the scattered innuendoes which we have listened to for 60 minutes. It has been alleged that the FBI tapped the majority leader's telephones, and the gentleman complains about the FBI checking his toll records. Certainly he must know that, if the FBI were in fact tapping his telephones, they would have no need to check toll records. They would already have that information as to whom was called, what was said, and the whole information without going to the additional trouble of checking his toll records.

The majority leader said on the floor:

When the FBI adopts the tactics of the Soviet Union and Hitler's Gestapo, then it is time, it is way past time that the present Director thereof no longer be the Director.

It is disappointing to me that a distinguished gentleman such as the majority leader would lend his own prestige to an effort which is underway to discredit the FBI, to bring pressure to bear upon the Director to resign.

The majority leader alludes to the age of the Director of the FBI. I have the privilege of serving on a committee of this House under the chairmanship of the Dean of the House, a man who is far older than Mr. Hoover, and I submit to my colleagues that on the Judiciary Committee he is rendering outstanding service in spite of his advanced years. I submit also that Mr. Hoover is rendering outstanding service in spite of his years, considerably less than those of the chairman of the Judiciary Committee.

But the point is immaterial as to whether a man is of a certain fixed age. The question is whether he is competent to perform the functions of his office. If he is, he should be allowed to continue. If he is not, he should be removed. I submit that the majority leader and the news media and those who have been trying to discredit the FBI are not the best judges of whether or not he is adequately performing the functions of his office.

The President of the United States and the Attorney General are in the best position to so judge, and they have indicated their complete confidence in the way Mr. Hoover is carrying out his responsibilities.

Does the majority leader really seriously mean what he says when he says that there is no check on the FBI? Surely he knows that the Appropriations Committee of this body every year goes over with a fine-tooth comb the detailed requests of the FBI and specifically authorizes expenditures which are included in that appropriation.

Does the gentleman suggest that our court system, from the lowest level up to and including the Supreme Court of the United States, is so totally under the control of this alleged "secret police" organization that it seldom finds fault with FBI methods? As a matter of fact, the U.S. Supreme Court has from time to time commented favorably regarding the FBI policies, noting that they go beyond the letter of the law to protect in spirit the very rights guaranteed to us under the Constitution.

We know of the methods used by the Soviet Secret Police and by the Gestapo. They were and are the brutal methods used by the enforcing arm of a totalitarian dictatorship that must use force to remain in power. Does the majority leader suggest to us that this is the state in this country today? Can he seriously suggest that we so fear the FBI that the rest of us here in this body and the citizens throughout the country and the other body and the other offices of the executive branch are not entirely free to criticize the FBI?

Is there any resemblance between the FBI and the Gestapo which employed assassinations, midnight rides, and tortures? Fortunately this country has never been subjected to that kind of situation. With our open news media in this country, it would be completely impossible for any of these activities to go on.

The majority leader as well as every other Member of this body knows that this charge is an exaggeration and a distortion. The FBI has never engaged in secret arrests, in unlawful detentions, or in interrogations through the use of illegal force or in any other tactics connected with a secret police operation. All of the FBI activities are under the continuing scrutiny of the Members of this House and of the other body and under the continued close supervision of the Department of Justice through the many attorneys here in Washington.

The gentleman mentions the two other faceless informers who came to his office about the FBI. If he really wants to do a service, if he really believes those things he has said, why does the gentleman not offer the names of these faceless informers from the phone company and from the Department of Justice who gave evidence the FBI is in a rapid state of deterioration?

The work of the FBI is reviewed every day by the Federal courts all over the United States which must rule on those tactics used in collecting evidence for prosecutive purposes.

Furthermore, and most important, the FBI's activities are observed and reported by the news media. Are we really to believe the television, radio and newspaper representatives are unwilling to tell us of Gestapo-like tactics if, in fact, they occur?

Even the severest critics of the FBI know it is a highly professional law enforcement agency, which could well be a model for the rest of the Nation's police agencies, and which has been a model for police agencies all over the world.

The majority leader's statement, as far as I am concerned, is an affront to the FBI, to its Director, and to every FBI employee. The gentleman has spent a great deal of time attempting to recover with dignity from the very awkward position in which he placed himself on April 5. Whatever his feelings continue to be about the FBI, his accusation of secret police and Gestapo tactics are untrue and unproved, and the gentleman knows it. It is significant to note he offered no "proof positive" here today of his charge that the FBI has "adapted the tactics of the Soviet Union and Hitler's Gestapo," or that the FBI has tapped his telephone or that of any other Member of the Congress.

If, for no other reason, Mr. Speaker, this gentleman owes the FBI and the Director and the employees of the FBI and the American people a public apology—and I regret the gentleman did not give that today.

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

Mr. HOGAN. I yield to the gentleman from New Jersey.

Mr. HUNT. Mr. Speaker, I take this opportunity to commend the gentleman from Maryland (Mr. HOGAN). I was amazed throughout this entire procedure, that has been drawn out for several weeks now, to find that the evidence submitted here today by the distinguished majority leader would not in the least even qualify as hearsay evidence.

It was my pleasure for a number of years to have been associated with the Federal Bureau of Investigation. In fact, I am a graduate of the Federal Bureau of Investigation Police School. I know Mr. Hoover very well. I know his personal integrity. I know his devotion. I just know him as a man.

I have heard him say on a number of occasions that insofar as he is concerned wiretapping of Members of Congress has never been within his prerogative—never—nor has he ever instituted the so-called surveillances that you and I know so well become so very intensive.

I just stand here as a Member of the

House unable to explain to anyone how the 1-hour dissertation today in any way substantiated the charge that the majority leader knew his wires had been tapped. You know and I know, and most Members of this House know, that wiretapping went out with the billy goats. The electronic devices are so sophisticated today that this would be utterly ridiculous.

I do not care if somebody taps my phone. I doubt that anybody in this House worries about his telephone being tapped, because if one has nothing to hide then certainly one does not care. But why would a Member of this House have his telephone tapped if there were not some reason to do so?

Today not one scintilla of evidence was advanced to indicate to me or to any Member on the floor, I am sure, or to the news media in the gallery, or to persons listening, that the majority leader's telephone had been tapped. There is no way to detect a removed tap.

I am going to refer to one portion of a statement that somebody said, the distinguished majority leader said, that there was a listening device under the rug of a Senator, and two days later, when they took the rug up, it was gone.

Let us be really factual about this. What takes anybody 2 days to lift a rug? This is what I call sweeping the device under the rug.

Perhaps if we have a few more Presidential campaign aspirants in this great body we have here in the Congress we will find some more of them buried in the back of a hair net some time. It is the most ridiculous thing I have ever heard.

And the innuendos that agents, Federal Bureau agents, men sworn to uphold the law—men, in my estimation, of profound integrity—searched quarters of persons and searched their baggage without warrants is utterly ridiculous. If these things did occur, then those persons have the right to bring legal action against any police enforcement officer in this Nation.

Mr. HOGAN. I assure you if that were true Mr. Hoover would fire them immediately.

Mr. HUNT. Mr. Hoover would never tolerate that 10 seconds. I know Mr. Hoover.

But if there is someone being investigated on criminal charges, and if a grand jury subpenas records, then they must produce those records, duces tecum, and when they do, if the Bureau is ordered to make a further investigation, that is their duty.

Mr. Hoover and the FBI have the job of preserving the internal security of this Nation. It is not easy.

They are likewise required to sustain charges and to investigate all charges of violations of Federal statutes, which they have done admirably.

Mr. HOGAN. And why should someone be exempt from such an investigation because they are on a college campus or related to a Member of Congress or working for a Member of Congress?

Mr. HUNT. There should be no exceptions.

I have heard a saying for many, many years, "If you can't stand the heat get out of the kitchen."

If you choose your associates, water seeks its own level.

If the FBI investigates you and gives you a clean bill of health, they have done a good job. This has been the way of life as long as I can remember.

Many Presidents have commended Mr. Hoover. Let me go back a little and talk about Tom Clark. I looked up what Tom Clark said. There are beautiful quotations by Thomas Clark, then the gentleman heading up the Bureau and the Department of Justice. His son came along later, Ramsey Clark. If you will recall, there were times when Ramsey had accolades for Mr. Hoover.

There was no equivocation then as to getting rid of Mr. Hoover. The hue and cry on getting rid of Mr. Hoover today seems to indicate that something is about to break somewhere and, so as to discredit Mr. Hoover, these allegations have been made without substantiation. Let the chips fall where they may.

Mr. Speaker, I commend the gentleman in the well for his service to the FBI, and I commend him for his attitude in defending Mr. Hoover today. He is a great American. He has done the finest job that I know of for this Nation insofar as the suppression and detection of crime is concerned. This is in the interest of the internal security of the Nation. No matter where these people go, if they are in violation of a law, whether it be on a college campus, in a college president's office, in the hallowed halls, or in a restaurant, or wherever it may be, it is their job—if it is in violation of a Federal statute, or if it involves the security of this Nation—it is their job to make sure that we, the people of these great United States of America, are protected.

I thank the gentleman for yielding to me.

Mr. HOGAN. I thank the gentleman for his contribution.

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

IN DEFENSE OF THE FEDERAL BUREAU OF INVESTIGATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. DEVINE) is recognized for 60 minutes.

Mr. DEVINE. Mr. Speaker and Members of the House, the hour is growing late, and I do not intend to take the full hour. However, after the remarks of the majority leader from Louisiana, I think some questions should be answered. Again I would read into the record his original remarks that preceded the opening day ball game on Monday, April 5. He said, and this appears at page 9470 of the CONGRESSIONAL RECORD:

> When the FBI taps the telephones of Members of this body and of Members of the Senate, when the FBI stations agents on college campuses to infiltrate college organizations, when the FBI adopts the tactics of the Soviet Union and Hitler's Gestapo, then it is time—it is way past time, Mr. Speaker, that the present Director thereof no longer be the Director.

Mr. Speaker, I will skip some of his other remarks and get down here again quoting from Mr. BOGGS, where he says:

> If law and order means the suppression of the Bill of Rights, infiltration of college campuses, the tapping of the telephones of Members of the Congress of the United States, then I say "God help us."

Mr. Speaker, I have been here during the entire time of the special order of the gentleman from Louisiana waiting for proof. Immediately following his remarks on April 5, the minority leader, Mr. GERALD R. FORD of Michigan, said:

> Criticism of the FBI should be supported by facts.

Other persons here in this body and members of the press editorially across the country have said, "Put up or shut up. Where is the proof?"

Mr. Speaker, we are somewhat at a disadvantage in not having had an advance copy of the remarks of the gentleman from Louisiana. I finally obtained a copy of it when he was reading on page 9 of his remarks, so I am not prepared with formal remarks to answer or to refute each charge that is contained therein, but let me clarify the record, because he does deal in semantics, innuendoes, and playing with words.

Let us talk about wiretapping for a minute. There seems to be a great deal of misunderstanding on the part of some Members of this body as well as some of our local newsmen as to exactly what constitutes a wiretap. I have seen recent references to the mere recording of face to face conversation as wiretaps, a technique many newsmen themselves use today. A wiretap is the surreptitious interception of a telephone—a telephone conversation. The legality and illegality of wiretaps are carefully spelled out in the omnibus crime bill and Safe Streets Act of 1968. If a Member of Congress, either in the House or the Senate, happens to call a person someplace else not within the confines of the Capitol that may belong to some organization that is under suspicion either from a national security or organized crime point of view, and that particular conversation happens to be recorded, that is not a tap on the telephone of a Member of the House or the Senate. That distinction should be clear to all of us.

Now, there are other methods of eavesdropping on conversations.

One method involves microphones or what is commonly referred to as bugs. In other words, you just put the device on a wall of a hotel room and pick up conversations or activities in an adjoining hotel room. But, that is not a wiretap. That is not exactly what the name implies, microphones which pick up and transmit those conversations or other sounds within the area in which they are located. The legality and illegality of such devices was discussed in the Omnibus Crime and Safe Streets Act of 1968.

A third method at times used by law enforcement agencies in order to get a complete record of a conversation of a suspect or a subject in a crime is the use of recording devices worn by a party to the conversation or attached to the tele-

phone with the knowledge and permission of one of the participants in the conversation.

These are the methods sometimes used whether they involve a Member of this body but which have been inaccurately referred to as wiretaps.

The Supreme Court has ruled in separate cases that such methods of electronically overhearing and recording conversations are legal so long as one party to the conversation has given consent.

And, Mr. Speaker, it should be emphasized that in the case involving a Member of this body the FBI even had taken the precaution of obtaining a court order authorizing the overhearing and recording of a specific telephone conversation using a recorder to report the face to face conversations in advance.

This is an unusual precaution indeed, since it goes well beyond the legal requirements and shows very clearly the dedication of the Federal Bureau of Investigation to the avoidance of any unnecessary infringement upon the prerogatives of the legislative branch.

Now, Mr. Speaker, the distinguished majority leader made great measure in his remarks about having been approached by two high officials in the Department of Justice. That is not the FBI but in the Department of Justice. He would have us believe that he is only serving as a spokesman for two highly placed Department of Justice officials who have contacts with the FBI and who came to see him shortly before he made his intemperate charges on April 5 against the FBI and demanding the resignation of its great Director, Hon. J. Edgar Hoover.

Mr. Speaker, I may be prejudiced because I too, like the gentleman from Maryland (Mr. HOGAN), served as an FBI agent for nearly 5 years. It has been about a quarter of a century ago since I left the FBI, but I have been in contact with the Bureau, its agents, and its Director, and I might say that my contacts with the Director have been as late as yesterday. He is just as sharp, he is just as alert, he is just as on the ball as during his entire 41 years of service. I think it is an outrage and a shame, as he approaches the time when he will retire, this great, loyal, and dedicated public servant, to be placed under a cloud raised by irresponsible charges for which thus far there has been no proof offered.

So, now, I doubt that the FBI will dismiss J. Edgar Hoover because of the word of two faceless informants and that their word would be taken above the word of Mr. Hoover who has been endorsed by and served under eight Presidents of this Nation, who has served under numerous Attorney Generals, who has served numerous Members of Congress, who enjoys the respect of the national chiefs of police and the National Sheriffs Association, is just beyond conception.

Mr. Speaker, the majority leader on April 5 criticized the FBI for stationing agents on college campuses to infiltrate college organizations, another false charge. Has the majority leader begun his own infiltration campaign? Has he planted sources within the FBI, if he feels that infiltration and informants are so bad? Then, let him have the stature to produce the two highly placed Department of Justice officials so we can be informed as to what their complaints are and we can also explore what their motives may be. Who are they?

The majority leader asserts these two sources allege the FBI is being destroyed because it has not been used to fight crime but, to the contrary, to protect the position of Mr. Hoover.

Well, hogwash.

While protecting Mr. Hoover, last year the FBI agents also managed to collect enough evidence to lead to convictions of nearly 500 persons in organized crime. They also collected enough information which, when passed along to local law enforcement agencies, led to over 800 indictments and arrests of some 4,400 organized crime figures. And also in the 1970 fiscal year agents, which these faceless, unnamed sources claim were so busy protecting Mr. Hoover, conducted investigations which led to over 13,000 convictions, the location of over 30,000 Federal fugitives, fines, savings, and recoveries exceeding $400 million, and they also managed—while they were supposedly protecting the image of that great Director—to keep tabs on some of the organizations that have been under question in this country, like the Ku Klux Klan, the Black Panthers, the Communist Party, and many other extremist groups, both on the right and on the left.

The allegations by the faceless informants are an insult to every member of the FBI and to the integrity of every American, and an indictment to the intelligence of any American who would give them any credence whatsoever.

I would say to the majority leader that he has the responsibility to offer proof, to identify the names of these persons, these faceless officials in the Department of Justice who are so inclined to sneak into him and give him information, but that he apparently does not wish to reveal.

Let me just for a moment go over some of the remarks that appear in the prepared speech of the majority leader, and I quote from his statement on page 12:

> A month later I learned of the tap which had been on my residence telephone.

What tap? The Chesapeake & Potomac Telephone Co. was called, and had it examined, and some other nameless employee of the telephone company said, "Well, there is no tap now, but there was one."

Mr. HOGAN already has said it is impossible to tell, when a tap has once been removed, that there has ever been a tap on the telephone. And anyone who has had any experience with surveillance—or electronic surveillance devices—knows there is no evidence that the tap has already been there.

Then he talks about Senator Yarborough, who found an electronic surveillance device in the intercom system on his desk.

Who put it there? Mr. Hoover? No evidence whatsoever.

Steve Young, a former Senator from my State, found his telephone lines being monitored. By whom? Not the FBI. There is no allegation of that.

And then he talks about Senator William Benton of Connecticut, who was "shortly advised to use care in speaking over his telephone."

Everybody is told to use care. I do not know what they are up to, but you are told to use care. What does that have to do with the FBI?

Then he talks about Senator MONTOYA, a former Member of this body, and that he had "reason to believe that his telephone was under surveillance."

"Had reason to believe." Why?

Then Senator BIRCH BAYH, another presidential candidate, I am reminded, "had reason to believe his private office was under surveillance."

By whom? Maybe the Republicans were watching him. You cannot tell about that.

"He was advised that he was under suspicion of having expressed his views to Senator BAYH."

It is amazing.

Then we have here the statement that he got an expert, and the expert located a radio transmission emanating from beneath the carpet of the Senator's office. It does not say who put it there. He does not know who put it there. Then a few days later, when they got around to digging it out, it was gone.

Then Senator CHARLES PERCY, the same thing, a lot of allegations but no proof, and no tie-in with the FBI.

And in just going through this, let me casually mention that he made reference to Senator MUSKIE having criticized Mr. Hoover for having agents who had the Earth Day activities under surveillance a year ago.

He very conveniently neglected to say that there were some persons in attendance there such as Rennie Davis, who should be under surveillance.

He neglected to mention that this goes on—and I say to you once more that we should have proof—or an apology is owed not only to Mr. Hoover and the FBI, but to the entire Nation for the headlines that occurred because of the untimely remarks of the gentleman on Monday, April 5.

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

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

Mr. HALL. Mr. Speaker, I appreciate the gentleman yielding and I appreciate the remarks he has made, based on his background.

Mr. Speaker, I would like to speak as one who has never met Mr. Hoover, to my knowledge. I do not know him, but I certainly know of his record and the esteem in which he is held.

I rise at this time for two purposes, primarily—one because I think this fiasco has damaged the image of the House of Representatives and the Congress as a whole. As such, although we do have need for surveillance and oversight and review of bureaus and departments and

of the Cabinet and the Congress, we cannot first properly personalize remarks we make and just come to and involve this entire body for apathy or complacency and lead to a point of contact to make any individual given point.

I think we have labored mightily here today. Those who make unproved allegations have brought forth nothing. I think this does damage. I believe the Supreme Court has oftentimes so ruled. Although the Bill of Rights gives us complete freedom of speech, it was Oliver Wendell Holmes who said, as Associate Justice, "We also have responsibility, and no one has the right to cry 'fire' in a crowded theater." I might add "unless there indeed be a fire."

If one thing is clear, it is that those who, by authority of election, have the national trust at hand must be willing to so live that they would not care whether they are placed under surveillance or not. I, for one, feel free at any time to use any telephone to discuss any subject that I might want to.

(Mr. HALL asked and was given permission to revise and extend his remarks and include pertinent material.)

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

Mr. DEVINE. I yield to the gentleman.

Mr. HALL. Mr. Speaker, it is not my custom to play games in this Chamber, but today, if I may, I would like to make an exception. The ground rules of the game will be simple. I will read a passage, and the Members can attempt to answer the question, "Who said that?

His work in behalf of our national security in exposing the communist threat; his unceasing battle against crime all over this country, his work in reference to juvenile delinquency, his great interest in the young people of our country, his dedication to intelligent police research all have made for him a place in history unequaled by any similar official in the history of mankind.

I might say further it has been my experience in recent months to be very closely associated with Mr. Hoover in the work of the commission appointed by the President to investigate the assassination of our great and beloved President Kennedy. This has given me an opportunity to see how thorough and how objective this man and his associates are. It has not been surprising to me, Mr. Speaker, because I knew of his efficiency over the years, but it has been gratifying and it has given me renewed confidence and trust in this agency of our Government.

The entire statement is as follows:

ON THE OCCASION OF J. EDGAR HOOVER'S 40TH ANNIVERSARY, MAY 7, 1964

Mr. BOGGS. Mr. Speaker, I should like to subscribe to the remarks which have been made by the distinguished gentleman from Louisiana, chairman of the House Committee on Un-American Activities, and the remarks made by our distinguished Speaker, the distinguished minority leader, and the distinguished majority leader in commending and congratulating one of the great Americans as he celebrates his 40th anniversary in the public service.

The resolution itself expresses more ably than any of us can the devotion to our country of this great man.

His work in behalf of our national security in exposing the Communist threat; his unceasing battle against crime all over the country, his works in reference to juvenile delinquency, his great interest in the young people of our country, his dedication to intelligent police research all have made for him a place in history unequaled by any similar official in the history of mankind.

I might say further it has been my experience in recent months to be very closely associated with Mr. Hoover in the work of the Commission appointed by the President to investigate the assassination of our great and beloved President Kennedy. This has given me an opportunity to see how thorough and how objective this man and his associates are. It has not been surprising to me, Mr. Speaker, because I knew the efficiency over the years, but it has been gratifying and it has given me renewed confidence and trust in this agency of our Government.

I might say also that his work in crime prevention continues at a high rate of efficiency. Only last week an agent of the Federal Bureau of Investigation apprehended one of the most wanted criminals in the United States in my district, and in the process rescued and saved the life of a child 8 years of age.

Mr. Speaker, I am glad that the Congress is passing this resolution. It is fitting, it is proper, and it is well deserved.

Mr. DEVINE. I would be very happy to play the game with the gentleman and would like the gentleman to identify the author of that statement and the date and place.

Mr. HALL. "Who said that?" The Honorable HALE BOGGS, May 7, 1964, on the occasion of the presentation of House Resolution 706, offering congratulations on the 40th anniversary of the appointment of J. Edgar Hoover.

Mr. Speaker, under the permission I have obtained I will put an excerpt from the CONGRESSIONAL RECORD of that date in today's RECORD.

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

Mr. DEVINE. I yield to the gentleman.

Mr. MYERS. Mr. Speaker, many of us came this afternoon expecting the majority leader to do exactly as he said he would do—provide proof positive of a bug on his telephone. As all have witnessed this afternoon, he gave none of that. In fact, most of the majority leader's attention and time was consumed talking about other people.

It is interesting to note on page 11 of his prepared text—and I want to read this to you:

Two years ago, though, it became evident to me that the nature and character of the Bureau was undergoing conspicuous change. That change was apparent by what I saw on the Hill and in this Capitol.

I saw—as many others saw—the Bureau lay seize to one of the most honorable and most honored men ever to serve his Country in the Congress—John McCormack of Massachusetts.

Now, this is not true. John McCormack was never, to my knowledge, accused of anything. John McCormack, who served very ably in this body for a great many years and who served so well as Speaker of the House, I do not think should be part of this discussion. The fact is, however, that a member of his staff was indicted. That member of his staff was found guilty. He was convicted. I suggest that, implied in the gentleman's statement, is the argument that a member of the staff of the Speaker of the House should not then even be questioned about his integrity or his dishonesty. I do not think that is really true.

I think every one of us is certainly subject to criminal investigation, if that be true. Why this statement was inserted in the speech I cannot imagine. The gentleman went on to say—

They showed no compassion for age, no respect for position, no honor for the patriotism and loyalty of a grand American. The records of his telephone calls were seized. His time was taken in endless hostile interviews.

Again the record will show that there was an indictment, not of the Speaker, but he had to give information, and thank goodness, we have a Federal Bureau of Investigation. But this was not a "bug." This afternoon the majority leader did not imply or say there was a "bug." But there was an indictment. This signifies to me the majority leader says he should not have been found guilty, that we should not make this type of investigation.

How about age? Has age really anything to do with it? It is implied here that Mr. Hoover showed no respect for age. What compassion for age has the distinguished majority leader shown this afternoon for the man who has been most honored, J. Edgar Hoover, who is, I believe, of comparable age? It is interesting to observe, as the gentleman in the well has so ably pointed out, the innuendoes in the statement of the gentleman from Louisiana: "It is believed," "a certain Member believed there was a bug." The daughter of a Member, our friend from Wisconsin, Congressman HENRY REUSS, was bugged. Because some cousin of ours or someone else is under suspicion, should they also be immune from investigation? I do not think that is what we want. Thank God we do have a Federal Bureau of Investigation that is interested in reducing the crime rate in this country.

I noticed that there was not one single Member of either political party, but most especially the party which the majority leader serves as a leader of that party, that joined him this afternoon in making assertions that his telephone or her telephone was bugged—not one joined. But over in the other body those listed seem to be presidential candidates that have been brought forward as suspecting that their telephones were bugged. I just wonder if the DSG does not keep records on Republicans also. Is there anyone here who will say that the DSG does not keep records on Republicans, especially those in areas of question, areas which might be called marginal? Of course you keep records on us. But I am not suggesting that the Federal Bureau of Investigation has bugged anyone's telephone, and no one here, other than the majority leader himself, has suggested that his telephones have been bugged.

In closing, if a presidential candidate takes 2 days to get his carpet up when he believes he is being bugged, do we want that kind of a President?

Mr. DEVINE. No. I thank the gentleman.

Mr. Speaker, I recognize the gentleman from New Jersey (Mr. HUNT), who, incidentally, was a lieutenant in the New Jersey State troopers and for a number

of years had a distinguished record as a law-enforcement officer.

Mr. HUNT. I thank the gentleman.

Mr. Speaker, I rise to call attention to a wire message, UPI–121, No. 140, on April 20, 1971, with the dateline of Washington, D.C. It states as follows:

Rep. Ed Edmondson, D-Okla., wrote to President Nixon, "It would be a grave injustice to this dedicated public servant to dismiss him at this time because of partisan political criticism and I hope no such decision will be made. J. Edgar Hoover should be retained as director of the Federal Bureau of Investigation."

The Oklahoma congressman said Hoover "has, in fact, become a symbol of integrity and dedication in the public service, and he has insisted upon high standards of integrity and dedication among the personnel of the FBI. I believe the great majority of Americans continue to honor him for his contribution to the country, and have a high degree of confidence in both his ability and his leadership."

Edmondson, a former FBI agent, said his letter was prompted by the calls, many of them in capitol hill, for Hoover's resignation. Most of the clamor, Edmondson said, is coming from men who are possible candidates for President.

I thank the gentleman for yielding.

Mr. DEVINE. Mr. Speaker, I thank the gentleman from New Jersey.

Let me conclude by saying my experience as an agent in the Bureau in the forties was one of the most meaningful experiences of my life. I am deeply indebted to the Bureau primarily because of the caliber of men who served in that body under the fine direction and guidance of Mr. Hoover. I have watched him very closely over the years. I recognize the FBI is not a national police force, and I do not know of anyone in this country who has resisted creation of a national police force more than Mr. Hoover.

The FBI is a fact-finding agency. It cannot prosecute anyone. Any facts it compiles are presented to the U.S. attorney or to the Attorney General, and it is through that body that any prosecution must be authorized. The FBI is not a prosecuting arm of the Government. It does not even make any recommendations.

I can tell the Members it follows very strict investigative techniques under strict rules and regulations which would not be violated by Mr. Hoover.

I take my hat off to Mr. Hoover as one of the most dedicated Americans of our time, and I know he will go down in history as such.

OHIO CANAL AND CUYAHOGA VALLEY NATIONAL HISTORICAL PARK AND RECREATION AREA

The SPEAKER. Under a previous order of the House, the gentleman from Ohio (Mr. SEIBERLING) is recognized for 30 minutes.

Mr. SEIBERLING. Mr. Speaker, I am most pleased to be joining with my distinguished colleague from Ohio (Mr. VANIK), other members of the Ohio delegation, and other Members of Congress in introducing a bill to create the Ohio Canal and Cuyahoga Valley National Historical Park and Recreation Area.

The bill would create a network of three separate but interrelated park and open space areas in populous Northeastern and Central Ohio. The network would include:

A 28,000 acre park in the Cuyahoga Valley along the Cuyahoga River and old Ohio Canal, between Akron and Cleveland;

Establishment of a recreation corridor along the old Ohio Canal, extending south of Akron through Summit, Stark, and Tuscarawas Counties; and

Preservation of portions of the Cuyahoga River stretching upstream from Akron as a recreation river within the Wild and Scenic Rivers Act.

The primary purpose of this bill is to preserve for ourselves, and our children, and their children, the most important and most scenic and historic open green space remaining in this highly industrialized region.

The proposal is designed to meet the objective of a new national policy outlined by President Nixon in his environmental message to Congress in February: A policy to "bring parks to where the people are so that everyone has access to nearby recreational areas."

Last fall, former Interior Secretary Hickel spoke of the need for this new direction in national parks policy. He said:

Our existing national parks are unique, strikingly beautiful, and absolutely necessary elements of our nationwide system. But they are mostly located in areas remote from the less affluent members of our society. Many of our people cannot get to the parks; therefore, we must get parks to the people.

Time is an important factor in this effort, and we do not have much time left.

The Cuyahoga River Valley lies in the center of one of the Nation's most populous and industrialized sections.

Some 4 million people, one-third of the entire population of the State of Ohio, already live within 30 miles of the valley region and the proposed park.

For 8 years prior to coming to this House, I was a member of the Tri-County Regional Planning Commission in northeastern Ohio. For 3 years, I was president of the commission. All the studies of the commission projected an enormous expansion of population and urban development in northwest Ohio for the remaining decades of this century. But, it has not been necessary to study projections to verify this. I could see the process with my own eyes, as each year thousands of acres of green space disappeared under the blades of the bulldozers.

Because its floor is a flood plain and its slopes are too steep for low cost development, the Cuyahoga Valley has been one of the few large land areas in the region to retain its rural character. In fact, this beautiful valley stands out as the only remaining large undeveloped and unurbanized land in the Cleveland-Akron metropolitan area. Fortunately, it is the most scenic land in the area. But, it is also on the threshold of becoming completely urbanized with industry and high density population unless action is taken quickly.

The Cuyahoga Valley, running in a north-south direction between Cleveland and Akron, is 30 miles long. The Cuyahoga River runs through the valley, and the old Ohio Canal parallels the river, extending down into the Tuscarawas River Valley.

Both valleys are rich in Indian history, and played a significant role in early Northwest Territory history. Between them lay the shortest portage point between the Great Lakes and the Ohio and Mississippi Valley. In fact, the Cuyahoga was so important to the Indians as a trading route that it was declared "sacred ground" to assure that it remain open, free from warfare, at all times.

The purpose of this bill is, in effect, to adopt the Indian's approach—to redeclare this land "sacred ground" to be spared for all time from becoming an "asphalt jungle" and to remain open as breathing space for the vast city-bound populations of middle America.

The old Ohio Canal connected the Great Lakes with the Ohio-Mississippi River system between 1830 and 1913, and, of course, played a very important role in the development of the Ohio Territory. A recent study prepared for the Ohio Department of Natural Resources recommends that sections of the Ohio Canal in Summit, Stark, and Tuscarawas Counties be developed as part of a recreational corridor.

The Cuyahoga Valley itself possesses a wealth of beautiful scenery, impressive landscapes, pastoral lands, deep wooded and picturesque ravines, streams and lakes and hills. Over four-fifths of the valley is steeply sloped, heavily wooded, rugged terrain.

The valley boasts a particularly wide variety of vegetation and wildlife, because it is, in a sense, a botanical crossroads—the meeting place for plant life of the East, West, North, and South.

The western edge of the Appalachian Plateau crosses the Cuyahoga River near the town of Independence, and turns south just west of the valley. This makes the Cuyahoga a dividing line between eastern mountain and western prairie botanical provides.

As one botanist has pointed out:

Northeastern Ohio is one of the richest, if not the richest, natural history area on the North American continent.

The idea of preserving the Cuyahoga Valley is not new. In fact, it is the product of years of study and hard work on the part of many dedicated citizens.

In the mid-1960's, the Ohio State Department of Natural Resources commissioned a study of the Cuyahoga Valley to determine its potential for recreational uses and to develop a plan to realize this potential.

The study, completed in 1968, reached the "indisputable conclusion that the valley must be preserved as open space land."

Five major recommendations were made in the report:

First. Preserve the natural landscape of the entire valley and its tributary valleys and ravines.

Second. Provide for public benefit, leisure time recreational facilities for camping, hiking, horseback riding, fishing, nature study, and outdoor recreation.

Third. Take immediate action to arrest damaging effects of both water and air pollution.

Fourth. Establish extensions and additions to existing park lands to be owned and maintained by the agencies already operating in the valley; namely the Cleveland Metropolitan Park District and the Akron Metropolitan Park District.

Fifth. Restore and preserve, for public enjoyment, the rich historical features of the valley.

Following publication of the study, the Akron Metropolitan Park District and the Cleveland Metropolitan Park District joined in an effort to create a 20,000-acre park within the valley region.

Both park districts are to be commended for the superb job they have done, under extremely difficult financial conditions, in acquiring land. At present, 10,000 acres of land in the valley area are already owned by one of the two park districts or by quasi-public agencies such as scout camps.

But the pressures of development and the shortage of funds at the local and State level make immediate and substantial Federal assistance imperative if the area is going to be maintained in its present state.

It was recently estimated that the cost of acquiring title to or scenic restrictions on the remaining acreage to complete the project would be $22 million, although that estimate is already out of date due to continued inflation, pressures on land use, and the recent announcement that Akron would provide water for a portion of the area encompassed in the project.

Local park districts simply cannot come up with that kind of money. Property taxes in most communities are already way out of line, and additional pressures are being piled on this resource every day. The Akron and Cleveland Park Districts combined are able to squeeze out only about $300,000 a year for acquisition. At that rate—if prices remained constant—it would take 73 years to acquire the land.

Some help has come from the land and water conservation fund and the State of Ohio. The park districts have received a total of $210,000 in LAWCON funds, and have applications on file for an additional $812,000. In addition, the State of Ohio has appropriated $366,000 for land acquisition.

But clearly, there is no time for this kind of piecemeal approach.

Considerable public and private investment has already been made in the park area. The wonderful Blossom Music Festival—summer home of the famed Cleveland Symphony—is located in the park area. Numerous summer camps for children, golf courses, historic sites, parks, and the Boston Mills ski area are all included. If these investments are going to be protected and enhanced for the benefit of everyone, additional acquisitions must be made and they must be made promptly, while the land is still undeveloped.

The bill is designed so that this objective of preserving the land as scenic open space can be achieved with a minimum of interference with the rights of landowners to continue to use their land as they are now doing. It provides that the Secretary of Interior need not acquire all of the land in the park area by outright purchase. The Secretary may negotiate with the landowners for so-called "scenic easement" rights on their land. This is done by agreement between the landowner and the Government, under which the Government agrees to pay the owner for a binding covenant that the land will not be developed in the future in specific ways which would not be harmonious with the park plan.

By this means the landowner is able to continue to use his land as, for example, a farm or a family residence, and the open character of the land is preserved for the benefit of the public.

The bill also provides that even as to land that the Secretary may wish to acquire outright, the owner may retain, for a term of 25 years or for life, the right to continue to use and occupy the land in a manner harmonious with the purposes of the bill.

Finally, the bill would enable local governments in the park area to minimize the amount of real estate removed from their tax rolls by the proposed park. The Secretary of the Interior would be prohibited from acquiring by condemnation any land or rights therein so long as local zoning laws are in force which have been approved by the Secretary as insuring that the land will not be used in a manner incompatible with the character of the park.

The combined effect of this and the scenic easement and occupancy provisions of the bill is to make possible the maximum amount of open space at a minimal cost to the Federal Government and minimal loss of taxes to the local authorities.

Moreover, experience has shown that the effects of stabilizing the character of the land as open space and park land is to raise property values of surrounding land and thereby compensate for any loss in tax revenues that may result from the removal of park land from the tax rolls.

The plan of this bill will conserve valuable agricultural land around the urban fringe.

It will protect our flood plains and wildlife.

It will provide buffers between communities, to keep them from merging into one sprawling sea of subdivisions.

It will give children growing up in an urban environment the opportunity to play in the woods and discover the joy of being close to nature; and finally, it will give adults an essential reference point of sanity. "The touch of nature," someone once said, "is man's only reality. Too far removed from it, he spins in dizzy gyrations."

I am delighted to be a part of this effort today, and I am hopeful that the Congress will seriously consider our proposal in the near future.

Mr. VANIK. Mr. Speaker, today, Earth Day, 1971, I am introducing on behalf of a bipartisan group of Ohio and Midwestern Congressmen, legislation to create a network of national parks in northeastern and central Ohio.

The bill, sponsored by 20 Congressmen from Ohio, Michigan, West Virginia, and Pennsylvania, is entitled the "Ohio Canal and Cuyahoga Valley Recreation Development Act."

Designed to meet the President's goal of "putting parks where the people are," the bill will create a network of three separate but interrelated park and open space areas for the use of Ohioans and all persons traveling in the State.

The three parks can be summarized as follows:

First. A park along the Cuyahoga River and Old Ohio Canal stretching between Route 17 in southern Cuyahoga County and the northern city limits of Akron in Summit County.

This park will preserve some of the last remaining beautiful open land which lies between these two major Ohio cities. It is expected that portions of the canal will be restored and a regular "operating canal boat ride" can be provided for visitors.

The development of the beautiful wooded park is being coordinated with a major Army Corps of Engineers project currently underway to clean up the Cuyahoga River itself.

Second. Portions of the Cuyahoga River stretching upstream from the eastern city limits of Cuyahoga Falls to its headwaters in Geauga County would be designated as a recreational river under the provisions of the Wild and Scenic Rivers Act passed by Congress in 1968. Such designation means that such portions of the river shall be preserved in a free-flowing condition and "that it and its immediate environments shall be protected for the benefit and enjoyment of present and future generations."

Third. The right of way along the old Ohio Canal extending south of Akron through Summit, Stark, and into Tuscarawas Counties shall be preserved, new parks along the Tuscarawas River will be developed and an operating canal boat ride developed for the enjoyment of visitors.

The need to preserve green space in the populous northeast Ohio area is vital. The statement of findings and purposes attached to the beginning of the bill clearly states the desperate need for this park:

FINDINGS AND PURPOSES OF THE OHIO CANAL AND CUYAHOGA VALLEY RECREATION DEVELOPMENT ACT

Congress finds and declares that it is a policy of this Nation to "put parks where the people are" so that everyone has access to nearby recreational areas; that the Cuyahoga Valley is the last major un-urbanized and underdeveloped open land between Cleveland and Akron, Ohio, serving interstate travelers and four-million residents in adjoining Standard Metropolitan Statistical Areas; that the Cuyahoga Valley, south of Cleveland and north of Akron, is a large, green area of some 40,000 acres, of which over four-fifths is steeply sloped, heavily

wooded, rugged terrain, located in the center of a rapidly spreading super-metropolis; that the Cuyahoga and Tuscarawas Valleys lie in an area which is rich in Indian history and artifacts and early Northwest Territory history as the shortest portage point between the Great Lakes and the Ohio and Mississippi Valleys, thus making the Cuyahoga River the "most important of the small rivers of America"; and that the Ohio Canal, which connected the Great Lakes with the Ohio-Mississippi River system between 1830 and 1913 ran through the Cuyahoga and Tuscarawas River Valleys where much of the canal is still intact with portions under reconstruction and preservation in Stark and Tuscarawas counties.

It is therefore the purpose of this Act to develop the Ohio Canal and Cuyahoga Valley for the recreational enjoyment of the American people in an area where there is a pressing and critical shortage of Federal and state recreation facilities.

Discussion of the proposed park has created a great deal of excitement, popular support and interest in the Northeastern Ohio area. The beauties of the potential park region are treasured by the people of the entire area. As one of my constituents wrote:

Such fabulous colors and contours to the Riverview-Akron-Peninsula, Canal Road routes. They make a person feel alive and part of his land compared to the old Route 8, the sterile 271 and 77 (Interstates). The area is replete with Ohio history—the canals, salt-box homes, quarries, covered bridges, etc. Please help preserve it as is—maybe even better with the suggested cleaning up of the Cuyahoga!

The area is replete not only with Ohio history but with the history of American Indians and the growth of the American Republic. Mrs. Earl H. Anderson of University Heights in the 22d Congressional District wrote me in some detail about the history of the area. I would like to quote portions of her letter here to show the potential that this park holds in the minds of northeastern Ohioans:

Mr. Vanik, I am particularly interested in the establishment and development of an American Indian Historical and Cultural Center for the Park. It seems a primary requisite. . . . A Center concentrating on the histories and cultures of the Indian Nations of Ohio and the Southeastern section of North America offers great possibilities.

As the beginning, a small Center, like those the State of Ohio has at the Historic Mound sites, would have maps showing: the Mounds at Botzum and Boston; the sites of the Erie Nation camps on the bluffs of the Cuyahoga; the Mahoning Trail fording the Cuyahoga at Tinkers Creek . . . site of the French Trading Post and natural location for the Indian Center . . . with the camp of the Moravian Indians shown to be two miles SW across the river. The Muskegon Trail met and followed Route 21 paralleling the Cuyahoga.

A more elaborate Cultural and Historical Center would have dioramas and/or life-size replicas of Indian dwellings and camps similar to the displays at the Natural History Building in Wahington.

The Cuyahoga Valley has sheltered many nationalities over countless centuries. During the past 500 years, following the annihilation of the Erie nation, many displaced peoples lived in or near the valley; Shawnees, Delawares, Miamis, Ottawas, Hurons and Mohicans. The great Tecumseh was here with his twin brother, the Shawnee Prophet. Pontiac had a camp near Boston where lies his mother's grave.

"The Ohio Canals," a book written by Frank Wilcox in 1969 and printed by the Kent State University Press, puts together more of the history of the old canals and the northeastern Ohio region:

THE HISTORICAL ROLE OF THE CUYAHOGA AND TUSCARAWAS RIVER VALLEYS AND THE DEVELOPMENT OF THE OHIO CANAL

The Cuyahoga and Tuscarawas River Valleys are rich in historical lore, for they have long served as major north-south routes from the Great Lakes to the Mississippi Valley watershed. It was used as an Indian portage and trading route for centuries before the white man came. It was such an important trading route that the various tribes declared it a "sacred ground" and off-limits to war parties.

As early as 1765, George Washington considered the feasibility and the potential impact of an all-water route from the Great Lakes to the Ohio River and beyond. And Thomas Jefferson, in his famous *Notes on the State of Virginia*, written to acquaint our French allies in the Revolutionary War with the natural resources of America, commented on the excellent portage route that the Cuyahoga River provided between the Great Lakes and the Ohio-Mississippi Valley. The Cuyahoga and Tuscarawas River Valleys constituted one of the strategic points of the new nation.

The eventual canal route paralleled the Muskingum Indian Trail and had a tremendous impact on the development of the Ohio Territory. Originating at Lake Erie, the Muskingum followed the ridges along the Cuyahoga, Tuscarawas and Muskingum Rivers to reach the Ohio River. The same streams were parts of a major canoe route from the Great Lakes to the Mississippi, and many historical Indian remnants can still be found along the old trail route and canal.

Construction of the Ohio and Erie canal began in Cleveland in 1825. In June of 1827, the thirty-six mile distance between Akron and Cleveland was completed, and by 1832, the entire 309 mile route to Portsmouth on the Ohio River had been finished. Contracts for canal construction were generally awarded in short sections of a mile or less, and were given to the farmer owning the adjacent land. The digging was done with mules and log plows, and by hand.

Locks and spillways were constructed to control the canal water level, with several reservoirs needed to maintain the water level at the various summits along the canal route. These locks and spillways were made of large hand-hewn stones and white oak timbers, and were built by driving the timbers at the side of the excavation, and then facing them with the heavy stone. The lock bottoms were surfaced with white oak timbers to prevent erosion and washouts, and the lock gates were also made of the heavy white oak timbers. Aqueducts and culverts were also needed—aqueducts to carry the canal over each major stream, and culverts to carry lateral drainage under the canal.

As the sections of the canal were constructed and completed, many towns and communities came into existence: Clinton, Canal Fulton, Massillon, Navarre, Bolivar and Dover. Other communities such as Boston Mills, Valley View and historic Peninsula, with its mid-19th century examples of architecture, retain their rural atmosphere. During the canal era, these cities were alive with warehouses and taverns. Massillon became known as the "Wheat City;" Dover was a center of commerce, where men were kept busy loading and unloading produce, building boats, managing warehouses and operating the equally busy taverns.

The Ohio and Erie Canal continued to operate on an intensive level until about the time of the Civil War when the railroads began to take over. Because of its heavily wooded slopes, the valley was deserted as a travel route with the advent of the train and the automobile. Floods in 1913 wiped out large sections of the canals putting an end to their economic utility.

The bill is written in such a way as to assure that a maximum of open space and green lands will be preserved with a minimum of disruption to local communities and residents. So that the details of this important measure can be examined by all concerned with the development of the park, I would like to print the bill in the RECORD at this point—less the section on findings and purpose, which has already been reprinted.

It is my hope that this legislation can receive early, favorable action by the Congress. The people of Ohio, and the people of the adjoining populous States need this open space park land.

The bill follows:

A bill to provide for the establishment of the Ohio and Cuyahoga Valley National Historical Park and Recreation Area

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

SHORT TITLE

SECTION 1. This Act may be cited as the "Ohio Canal and Cuyahoga Valley Recreation Development Act."

DEFINITIONS

SEC. 3. As used in this Act—

(1) "Park" means the Ohio Canal and Cuyahoga Valley National Historical Park, as provided in this Act.

(2) "canal" means the Ohio Canal, including its towpath.

(3) "recreation development" means the development of the park for scenic, educational, historic, and recreational purposes, including but not limited to, walking, hiking, horseback riding, boating, bicycling, swimming, picknicking, camping, forest management, fish and wildlife management, fishing, water sports, and scenic and historic site preservation, including development and reconstruction of portions of the canal as a working canal with operating canal boats.

(4) "Secretary" means the Secretary of the Interior.

(5) "State" means the State of Ohio.

(6) "local government" means any political subdivision of the State, including but not limited to a county, city, village, township, park district, school district, or other special district created pursuant to State law.

(7) "person" means any individual, partnership, corporation, private nonprofit organization, or club.

(8) "landowner" means any person, local government or State owning real property or interests in real property in, adjacent to or in the vicinity of the development area.

SEC. 4. (a) In order to preserve and interpret the historic and scenic features of the Canal and Cuyahoga Valley, and to enhance the potential of the area for Recreation Development, the Secretary is authorized and directed to establish, within three years from the date of enactment of this Act, the Ohio Canal and Cuyahoga Valley National Historical Park, in the State of Ohio. The Secretary shall establish the park area by publication of a notice to that effect in the Federal Register at such time as he determines that lands, waters, and interests therein sufficient to constitute an efficiently administrable park area have been acquired for administration in accordance with the purposes of this Act. The Park shall be located within the eastern and western rims of the Cuyahoga Valley, north of the city limits of Akron, Ohio, in Summit

County, and south of State Route 17 in Cuyahoga County, and the right of way of the Canal extending south from the northern city limits of Akron through Summit, Stark, and Tuscarawas counties to the southern border of Tuscarawas county, all of which area shall hereinafter be referred to as the "Development Area".

In general, the Park shall include the land area located (1) within the "acquisition line" and the "easement line" generally depicted on the topographical map in "The Cuyahoga Valley of Ohio—A Recreational Feasibility Study" (in the appendix on plates F-a through F-e) prepared by the Department of Natural Resources of the State of Ohio and delivered to the Secretary in 1968, *and (2) within the "parkway corridor" "scenic easement" and "proposed parks" generally depicted on the aerial maps in "The Tuscarawas River and Ohio and Erie Canal Recreation and Development Study" (in index maps A through L) prepared for the Department of Natural Resources of the State of Ohio in June of 1970, both* of which shall be on file and available for public inspection in the offices of the National Park Service of the Department of the Interior, and, in addition to those portions of the Canal within the "acquisition line," "the easement line," *the "parkway corridor," "scenic easement" and "proposed parks,"* those portions of the Canal within the Development Area but outside said lines and areas as the Secretary shall place in categories I and II pursuant to section 5 of this Act. The Secretary is empowered to change the boundaries of the Park from time to time within the Development Area.

SEC. 5. (a) As soon as practicable, but not later than one year after the effective date of this Act, the Secretary, after notice and a public hearing held in the State, shall publish in the Federal Register a map or other description of the Development Area, designating all parcels of real property therein one of the following categories:

Category I, public ownership areas.

Category II, environmental conservation areas.

Category III, private use and development areas.

(b) The Secretary may, from time to time, alter or amend the map or other description referred to in subsection (a), but no such alteration or amendment shall take effect until notice and a public hearing is held in the State, and such alteration or amendment is published in the Federal Register.

(c) In the case of real property placed in Category I, the Secretary may acquire any interest therein, including fee simple title thereto.

(d) In the case of real property placed in Category II, the Secretary may acquire interests less than fee simple title to prevent future development which would be inharmonious with the character of the Park. Nothing contained in this subsection shall prevent the Secretary from acquiring, without the consent of the owner, the fee simple title in real property in Category II whenever in the Secretary's judgment the estimated cost of acquiring the lesser interest would be a substantial percentage of the estimated cost of acquiring the fee simple title.

(e) In the case of real property placed in Category III, the Secretary shall have no authority to acquire any interest, unless such property is placed in another category in accordance with subsection (b).

(f) The Secretary shall notify landowners of real property in categories II and III of the restrictions on use and development of such property under which such property can be retained by the landowner in a manner compatible with the purpose for which the Park was established.

SEC. 6. Nothing in this Act shall prohibit the State or any local government from taxing any interest of an landowner in any real property.

SEC. 7. The Secretary is authorized to acquire by donation, purchase with donated or appropriated funds, by condemnation, or by exchange, real property and interests therein for the purposes of this Act. When a tract of land is only partly within the Park, the Secretary may acquire the entire tract to avoid the payment of severance costs. Real property so acquired outside the Park may be included within the Park or exchanged by the Secretary for non-federal real property within the Park, and any portion of the real property not utilized for such exchanges may be disposed of in accordance with the provisions of the Federal Property and Administrative Services Act of 1949 (63 Stat. 377) as amended (40 U.S.C. 471 et seq.).

(b) In exercising his authority to acquire property under this Act, the Secretary shall give immediate and careful consideration to any offer made by an individual owning property within the Park to sell such property to the Secretary. An individual owning property within the Park may notify the Secretary that the continued ownership by such individual of that property would result in hardship to him, and the Secretary shall immediately consider such evidence and shall within one year following the submission of such notice, subject to the availability of funds, purchase such property offered for a price which does not exceed its fair market value.

(c) No real property or interests therein, owned by the State or any local government, may be acquired under this Act by condemnation. Notwithstanding any other provision of law, any property owned by the United States and located within the Development Area may, with the concurrence of the head of the Federal agency, department or instrumentality having custody thereof, be transferred without consideration to the Secretary for use by him in carrying out the provisions of this Act.

SEC. 8. (a) The Secretary shall, at the request of any local government in or adjacent to the Park, assist and consult with the appropriate officers and employees of such local government in establishing zoning laws or ordinances for the purpose of this Act. Such assistance may include payments to the local government for technical aid.

(b) No real property within the Development Area shall be acquired by the Secretary by condemnation so long as the local government having jurisdiction over such property has in force and applicable thereto a duly adopted, valid zoning law or ordinance approved by the Secretary in accordance with subsection (d) of this section and the use of such property is in compliance therewith.

(c) If the Secretary determines that any such property referred to in subsection (b) of this section covered by any such law or ordinance is being used in a way which is not in substantial compliance with such law or ordinance, he shall so notify the owner of any such property and the local government. In any case in which such use is not discontinued within sixty days after the date of such notification, the Secretary may acquire such property by condemnation.

(d) Any zoning law, ordinance or amendment thereto submitted to the Secretary for approval for the purposes of this Act shall be approved by him if such law, ordinance or amendment contains provisions which—

(1) have the effect of prohibiting the commercial and industrial use (other than a use for commercial farms and orchards) of all real property within the boundaries of the Park within the jurisdiction of the local government adopting such law, ordinance or amendment;

(2) are consistent with the objectives and purposes of this Act so that, to the extent possible under State law, the scenic and historic values of the park will be protected;

(3) aid in preserving the character of the Park by appropriate restrictions, including but not limited to restrictions upon building, signs and billboards, the burning of cover, cutting of timber (except tracts managed for sustained yield), removal of topsoil, sand or gravel, dumping, storage, or piling of refuse, and other uses which would detract from the aesthetic character of the Park; and

(4) have the effect of providing that the Secretary shall receive notice of any variance granted under, and of any exception made to the application of such law or ordinance.

SEC. 9. The Secretary shall take into account comprehensive regional or State development, land use, or recreational plans affecting or relating to the Development Area, and shall, wherever practicable, consistent with the purposes of this Act, exercise the authority granted by this Act in a manner which he finds will not conflict with such regional or State plans.

SEC. 10. Any landowner of real property situated within the Park may, as a condition of such acquisition by the Secretary, retain, for a term not to exceed twenty-five years, or for a term ending at the death of such owner or owners, the right of use and occupancy of such property for any residential or other purpose not incompatible with the purposes of this Act. The Secretary shall pay to the owner the value of the property on the date of such acquisition, less the value on such date of the right retained by the owner. Where any such owner retains the right of use and occupancy as provided in this section, such right may be conveyed or leased.

ADVISORY COMMISSION

SEC. 11. (a) There is hereby established an Ohio Canal and Cuyahoga Valley National Park Commission (hereafter in this section referred to as the "Commission").

(b) The Commission shall be composed of 13 members appointed by the Secretary for terms of five years, as follows:

(1) Two members to be appointed from recommendations submitted by the Board of Park Commissioners of the Akron Metropolitan Park District;

(2) Two members to be appointed from recommendations submitted by the Board of Park Commissioners of the Cleveland Metropolitan Park District;

(3) Two members to be appointed from recommendations submitted by the Board of Park Commissioners of the Stark Metropolitan Park District;

(4) Four members to be appointed from recommendations submitted by the Governor of the State;

(5) Three members to be appointed by the Secretary, one of whom shall represent the general public, one of whom shall be a member of a regularly constituted conservation organization, and one of whom shall be a member of a regularly constituted historical society.

(6) The Secretary shall designate one member of the Commission as Chairman of the Commission.

(c) Any vacancy in the Commission shall be filled in the same manner in which the original appointment was made.

(d) Members of the Commission shall serve without compensation as such, but the Secretary is authorized to reimburse the members for expenses reasonably incurred by the Commission and its members in carrying out their responsibilities under this Act.

(e) The Secretary, or his designee, shall from time to time but at least semi-annually, meet and consult with the Commission on matters related to the administration and development of the Park.

(f) The Commission shall act and advise

by affirmative vote of a majority of the members thereof.

SEC. 12. The Ohio Canal and Cuyahoga Valley National Historical Park shall be administered by the Secretary in accordance with the Act of August 26, 1916 (30 Stat. 535; 16 U.S.C. 1, 2–4), as amended and supplemented.

SEC. 13. There is authorized to be appropriated to carry out this Act, sums not to exceed $40 million for real property acquisition and development.

SEC. 14. Portions of the Cuyahoga River stretching upstream from the eastern city limits of Cuyahoga Falls, Ohio, to its headwaters in Geauga County, Ohio, is hereby designated as the National Recreation River for purposes of the Wild and Scenic Rivers Act (82 Stat. 906; 16 U.S.C., 1271–1287).

JUSTICE—A REPORT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 15 minutes.

Mr. GONZALEZ. Mr. Speaker, a crime was committed on March 30, 1969. Those adjudged guilty of the crime surrendered to begin serving their Federal sentences on March 29, 1971—just 1 day short of 2 years after their criminal act. Crimes are committed every day, and men begin to serve sentences every day, but this crime involved a key political appointee of the Government, a Government loan, and the privileges and immunities of the House itself. All that being so, I believe that I have the duty to give the House a final report on the case, more particularly since I first brought the crime to public attention, and addressed the House on many occasions to demand that the Government appointee involved be suspended from his position until an investigation could be had. Curiously, the man stayed on his job until the Justice Department decided to turn the matter over to a grand jury and seek an indictment; it may be said of his superior, the former head of the Small Business Administration, that he exhibited more loyalty to his friend than he did judgment.

Emmanuel Salaiz was a small businessman. He had energy, determination, and skill, but no money. He hoped that he could make his business grow, but he needed help. As it was, he made ornamental hardware in his little garage, sold it as best as he could, and hoped for a break.

Albert Fuentes was an ambitious man, who lived mostly by his wits. He had at one time worked at a patronage job for a local county commissioner, and had been the head of a small political organization known for its noise, but not for its clout. He then set up a political consulting firm, and decided that chances for him were better as a Republican—he had not been successful as a patronage employee, or consultant, or as a hopeful for the Democratic nomination to be Lieutenant Governor of Texas. So Albert Fuentes became a Republican, made the acquaintance of an El Paso man named Hilary Sandoval—who later became Administrator of the Small Business Administration—and worked in the Nelson Rockefeller campaign. He made enough of a name for himself, or was thought by the Republicans to be useful enough—that he was asked to lead the Pledge of Allegiance at the opening session of the 1968 Republican National Convention. With the election of Richard Nixon, Hilary Sandoval was named to replace Howard Samuels as head of the Small Business Administration, and he brought Albert Fuentes along to Washington to be his special assistant.

Edward Montez also had his ambitions, and tried to live by his wits, but had not the ability of Fuentes. Montez worked at various jobs, but the first good job he ever had was when I named him to be a part-time employee in my San Antonio District office, mostly to help him with grocery money at $250 a month. Montez, like Fuentes, liked to dabble in politics and for a while served as a school board member in one of the local school districts. However, he seemed unable to resist the temptation to easy money. Not many months after I became a Member of Congress, and was appointed to be a member of the Committee on Banking and Currency, I received an attractive offer to buy—or have given to me—a block of bank stock. Since I could not see how I could be a bank stockholder and member of the Committee on Banking and Currency at the same time, I turned the offer down. But a similar offer was made to Montez, while in my part-time employment and he accepted. When I learned of this, I immediately dismissed Montez. After that he tried his hand at various ventures, never with much success, and ended up working as a salesman for a maker of prison equipment. In the meanwhile, he maintained a friendship with Albert Fuentes.

The hard working businessman, Emmanuel Salaiz, tried for many months to obtain a loan through the Small Business Administration. For one reason or another, he met with discouragement and delay. But finally, in February 1969, he received approval for a $10,000 loan—he thought because Edward Montez had intervened with his friend Fuentes, who was supposed to have influence with the Small Business Administration.

By this time, Nixon had been elected, Hilary Sandoval appointed to be Administrator of the SBA, and Albert Fuentes had been appointed by his erstwhile political road companion Sandoval to become his Special Assistant.

Salaiz was now certain that his long wait for help from the Small Business Administration was over—his advisers Fuentes and Montez assured him of it. In fact, they told him not to accept the $10,000 loan that had been approved for him—his business had more potential, they said, and maybe he could swing a bigger loan, if he would give them time to work on it.

On the last day of February 1969, Albert Fuentes registered two business names with the Bexar County clerk—as is required by Texas law. These firms were called Area Research and Planning Service and Governmental Affairs and Management Consultants. They were given the address of a law firm, an address that Fuentes often used for business purposes. Three days later, Fuentes left San Antonio to take up his new duties as Special Assistant to the Administrator, Small Business Administration. It was at about this time that Fuentes and Montez advised the anxious businessman Salaiz to be patient, that his chances of getting a bigger loan than he had received were very good indeed.

One of the first things that the newly appointed Special Assistant did when he arrived in Washington was to request the SBA's Assistant Administrator, W. J. Garvin, to come up with a study on the prospects of E. & S. Sales Co., and how it might best be helped through an SBA loan. A few days later, Fuentes received a memorandum indicating that this company had good prospects, if it got good management and could obtain a loan for expanded facilities and working capital. Garvin said that a loan of as much as $100,000 would be needed to make the firm capable of sales of a million dollars a year, but that in the alternative, the company might do very nicely on a loan of perhaps $50,000 or $60,000. As it happened, E. & S. Sales was the same firm that Fuentes and Montez had been so interested in back in San Antonio, and was owned by Emmanuel Salaiz, whom they had advised not to take the loan that he had negotiated with SBA—but which he thought he had received only through the intervention of Fuentes and Montez.

Within 10 days of the Garvin report, Fuentes was back in San Antonio, and while there, he arranged a meeting with Salaiz and Montez, and an attorney and others. The meeting was at the attorney's office, the same address that Fuentes used for his new consulting firms. The date was March 30, Palm Sunday.

Fuentes outlined the Garvin report to Salaiz, and gave him a copy of it. Montez told the anxious businessman "This is where friendship ends. This is a business meeting." Then Montez told the astonished Salaiz that he could get a loan, a very large loan, from the SBA if he would incorporate the business and turn 49 percent of it over to himself and Fuentes.

Fuentes said that he did not intend to be in Government forever, and that he wanted a little something to fall back on when he left public service. At that time he had been Special Assistant only for a matter of a few weeks. Clearly, he had big plans.

But Salaiz did not want to give up half his hard-won business, small and struggling though it was; after all, it was his creation, it was his artistry, it was his idea, and it was his enterprise. He asked if he could bring in his own attorney, was told no, that Fuentes and Montez had a man on retainer. But Salaiz asked for some time to think it over, and left the meeting. Fuentes and Montez left San Antonio that night to return to Washington, Montez, who had a coach class ticket, moved into the first-class section to be with his friend Fuentes; it was a small thing, but typical of Montez' eye for a quick gain at little or no cost—he would always go out of his way to get a little more for a little less.

Salaiz, who was determined not to give in to the demands of Fuentes and Mon

ez, went to his attorney. The attorney heard him out, thought about it, and then recommended that Salaiz go see the chairman of the local SBA advisory council, who was another attorney. Salaiz and his attorney were not sure of their ground, and wanted more advice before they acted.

The SBA advisory chairman heard the story a few days later—April 18, 1969. He immediately advised Salaiz to report the whole thing to the FBI office, because he was certain that the Fuentes-Montez proposition was illegal.

Salaiz went to the FBI on April 22 and made a statement. Two days later, he gave a similar affidavit to a notary public. When I learned of this, and investigated to determine whether there was an investigation underway, I decided to make public my knowledge of the case. I had not talked with Salaiz or any other principal in the case, and have not done so to this day. But as a member of the Committee on Banking and Currency, which has jurisdiction over SBA, and having knowledge of this situation, I felt it was my duty to contact the Administrator, advise him of the situation, and request that he suspend Fuentes pending a full investigation. Moreover, since I knew about the matter and did not want to risk the possibility of any other businessman being told that he could get loans through influence—I had no choice but to make a public statement about the whole thing and demand action.

Being charged with knowledge of this racket, I had the clear duty to warn the public about it while at the same time demanding action to stop it. So on April 15, I held a press conference to reveal what I knew, and at the same time to demand Fuentes' suspension.

For reasons best known to himself, the then-SBA Administrator decided not to suspend Fuentes. Instead he asked for a private meeting with me, and initiated a request for an FBI meeting. For the next several weeks, I advised the House of events as they developed, until finally the Justice Department advised the SBA Administrator that it was going to seek an indictment against his special assistant Fuentes; at about that same time, Fuentes was in San Antonio calling me "an unmitigated liar." Knowing that Fuentes was about to be called before a grand jury, the SBA Administrator fired Fuentes, saying that his actions in San Antonio were against express instructions to stay out of the Southwest.

The grand jury indicted both Fuentes and Montez for conspiracy, and the matter came to trial in November 1969.

As I have said, both Fuentes and Montez liked politics. Fuentes had been a political appointee, one of the highest ranking Mexican-Americans in the Nixon administration. Montez had for a short time been an employee of mine, many years earlier. This background gave the case political implications, and the defense attorneys decided to put me on trial rather than the defendants. They moved to have me called as a witness, although I had not been a party to the transaction, nor have any direct knowledge of it. Along with me, the defense demanded appearances from a long list of persons, all of whom were in one way or another political figures; this was to be a political trial.

The House was in session at that time, and I believed that my duty was to be here. Moreover, I had not been a witness to the criminal transaction, nor had I ever talked to the witnesses about it. There was no reason for me to appear, and I had duties to attend to elsewhere.

But the court ordered me to appear, and I referred the question to the House, since it involved the privileges and immunities of the House. The House took no action on the order of the court, so I remained here and carried out my duties.

May I say here that the privilege of the House is not lightly to be taken, nor lightly to be abused. Were it not for the wisdom of the House, any one of us could be summoned at any time to be used by some defendant's attorney who was attempting to save his client by seizing the opportunity to make him appear as a political martyr. The privileges and immunities of the House prevent us from being used in this way, prevented me from being used in this way, and I say that this is a wise thing. For if we lacked this privilege and immunity, the whole House would be subject to capricious legal actions, and the entire legislative process would thus be endangered. This case is a perfect example of the wisdom of providing the privilege and immunity, and of defending it; and that is the principal reason that I present it in such detail.

In the course of events, the jury found Fuentes and Montez guilty of conspiracy. The judge sentenced them each to two 5-year terms, one on each count, the terms to run concurrently.

Although the case tried involved only one attempt at a shakedown of an SBA loan applicant, others were reported to me; evidently the defendants had ambitions to participate in more than one business venture, by virtue of the influence held by Fuentes, and the peddling abilities of Montez, who made the contacts with businessmen and represented himself as a man with access to influential people.

The defendants appealed, and the fifth circuit denied their application. Finally, this year, the Supreme Court refused to hear the case.

March 29 last, just 1 day short of 2 years since the fateful meeting with the troubled and anxious businessman, whom they tried to shake down for half his business in exchange for a Government loan, Fuentes and Montez surrendered themselves to begin serving their sentences.

In the intervening 2 years, the defendants worked at their appeals, and Emmanuel Salaiz continued to attempt to make his business a success.

One of the defendants, Montez, became much embittered, and believed that I was responsible for his downfall and conviction. But he is only unable to admit his fault and guilt. It was he, not I, who made himself part of the case. He publicly confessed to his part in the conspiracy within hours of my original charges against Fuentes, and claimed full responsibility. Montez could never see that he had done anything illegal, and could somehow never believe that it was his own press conference confession that irrevocably bound him to the conspiracy; he could never believe either that he had done anything wrong, nor that his admission of lying to the grand jury impaired his credibility at trial.

So this defendant, in the 2 years between the deed, the trial, and his incarceration, would often say to his friends that he had never done anything wrong—that it was Henry Gonzalez who was at fault, and that he would get even with me some way, someday. He left freedom snarling, and I can only suppose he still curses me. But he knows, though he will not confess it to himself, that I did not mention his name before he injected himself into the case via a Saturday press conference, with a full confession; nor can he admit to himself that it was his deeds and his words that propelled him into trial and confession. I was neither prosecutor, judge, nor witness—yet this man blames his troubles on me.

This curious moral obtuseness is also reflected by one of the defense attorneys, a man by the name of Ruben Montemayor, who stated to the press just before the convicted pair were removed to the penitentiary:

Henry Gonzalez will have this on his conscience the rest of his life.

Yet the unsuccessful defense attorney has not offered to return his clients' fees, nor give up the Cadillac that he took from one of them in partial satisfaction of those fees.

Justice has been served.

FRANK JAMES WAS QUIET AND STUDIOUS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri (Mr. RANDALL), is recognized for 30 minutes.

Mr. RANDALL. Mr. Speaker, it is a privilege to make these remarks concerning an honor recently bestowed upon one of our constituents, Elizabeth Rogers Jones, of Independence, Mo. She is a longtime friend for whom I have the highest regard. All Missourians share my appreciation for her literary efforts.

Mrs. Jones' parents, grandparents, and even some of her great-grandparents lived their lives in eastern Jackson County, Mo. Not only is Betty Jones an historian in her own right, but her family, because of its deep roots in west-central Missouri has been a part of that history about which she so frequently writes.

It has recently come to my attention that she is the winner of the Missouri Press Women's writing contest. It should be remembered that the Missouri Press Women are affiliated with the National Press Women, Inc.

In a recent letter from the contest chairman, Jane Byrd, Mrs. Jones was advised that she had placed second among the authors of feature stories in newspapers of 100,000 or more circulation. There will be a presentation of awards in May of this year at the spring

meeting of the Missouri Press Women in Columbia. For those of my colleagues who may not be fully advised, Columbia, Mo., is the home of the University of Missouri and the seat of its world famous University of Missouri School of Journalism.

Mrs. Jones deserves the warmest congratulations from her fellow members of the Missouri Press Women and the members of the National Federation of Press Women.

The winning feature story is centered around the life of Frank James, brother of the quick-tempered Jesse James and one of the associates of the Youngers who were participants in a kind of guerrilla warfare which was waged in western Missouri during the year of the War Between the States. These guerrillas were pro-Confederate and, famous or infamous, were known as Bushwhackers.

Betty Jones, in my opinion, does a scholarly job of describing Frank James as a kind of bookworm who could recite from memory passages from Shakespeare. We must remember that this same man who carried books in his saddlebag was a man who had the capability at the same time to disrupt the enemy's communications and to capture Union supplies. This same Frank James, who could quote from Macbeth was a man who served as one of Capt. Charles Quantrill's own guerrilla recruits. Every one of these men all under 25 years old were dead shots and mounted on splendid fast horses.

The winning feature story is so well written, so interesting and so informative that when it came to my attention I thought it should be shared with my colleagues in the House and to become a part of the CONGRESSIONAL RECORD in order that it would be preserved in our archives.

It is my privilege now to read for the RECORD the winning feature story as it appeared in the Kansas City Times, a newspaper in Kansas City, Mo. It follows:

[From the Kansas City Times, December 8, 1970]

FRANK JAMES WAS QUIET AND STUDIOUS

(By Elizabeth R. Jones)

Baird Liggett of Blue Springs, 80 years old and active, remembers seeing Frank James, the Shakespeare-quoting bandit, at a picnic and reunion on the Judge S. L. Luttrell farm back in the 1890s when he was ten years old.

"The clearing had been cut between a grove of large oaks," he said, "and a platform built for the town fathers, leading citizens and Confederate veterans to sit on. They were waiting for the festivities to begin when Frank James slipped up on the platform and poured water into a glass for the speaker, a close friend of his. It was a hot day in August."

As Baird Liggett talked, these men, famous or infamous, rode across the pages of Eastern Jackson County history once again.

"I remember the day well," Liggett went on. "Frank James was a medium-sized, thin, handsome and slightly stooped man and well dressed. Being just a kid, I was afraid of him. He had a large head with a more prominent high forehead than most people. To me it seemed to slope back."

BOOKWORM

All his life Frank was quiet and studious, not quick-tempered like his brother Jesse. He had a scanty education but was a "book worm" and carried in his saddle bags his favorite books. No matter where he was, in a Rebel camp, a well-supplied, hidden Bushwhackers cave or in a pro-Southern friend's home he studied the classics and read Ingersoll.

Capt. Harrison Trowe, in his history "Guerrilla Warfare in the Missouri and Kansas Border, 1861 to 1865," relates that Frank could recite by memory almost all of Shakespeare's "Richard the Second"—his favorite.

"You see how I know about the Jameses and the Bushwhackers," Liggett explained my great uncles, James and John Little, were Bushwhackers and rode with the James boys, Cole Younger and Quantrill. They married my grandfather's sisters, the Liggett girls, and I learned from them the daring exploits of the pro-Confederate armed resistance to the Union troops stationed in Missouri, and Kansas Jayhawker's raids across the border.

Because of the strong feelings of Southern sympathizers against what they called the "hated abolitionist" in Kansas the entire state of Missouri was almost thrown into anarchy.

The border warfare began in earnest in 1861. Capt. Charles Quantrill and his young guerrilla recruits (all under 25) were dead shots and were mounted on splendid horses. They began to retaliate against the tactics of the Union Kansas leaders—Montgomery, Lane, and Jennson—partly for protection and partly for revenge.

Frank James fought under the black flag of Quantrill and under the Rebel flag of Gen. Jo Shelby.

Some Bushwhackers were spies for the Confederacy. Others were farmers who fought for the South between planting and harvesting time and protected and fed their comrades.

As an armed force, not more than 250 at a time, the Bushwhackers hid behind patches of hazel bushes, thick undergrowth and culverts along the roadsides where unsuspecting Union cavalrymen and marching soldiers traveled. They harassed and disrupted the enemies' communications, looting and capturing Union supplies and then disappeared like vapor on their fast horses into the tall, heavy timber nearby.

At the beginning of the Civil War, Frank "joined up" with Gen. Sterling Price's Confederate army. He was 18 years old. The Jameses owned no slaves but were hot-headed Kentucky secessionists, especially Zerelda James Samuels, the James boys' mother.

In the battle of Wilson creek in South Missouri, Frank had his first encounter with the enemy. He was captured and brought back and imprisoned in the Liberty jail. Due to the pleading of his mother and promises from Frank never to take up arms again against the federal government, he was released. He had had enough of organized fighting. He didn't like it and soon afterward in 1862 joined Quantrill.

In June 1863, a squad of Union soldiers dismounted at the James' home at Kearney, Mo., and demanded that his stepfather, Dr. Reuben Samuels, tell them where Frank was hiding.

The doctor refused to give them the information they came for. In a rage they attempted to hang him. But his wife cut the rope just in time to save his life. As the Unionists were leaving the place, they came upon Jesse, 15, plowing corn. They dismounted again and began to question him about his older brother. Jesse gave them only contemptuous answers. The soldiers beat him with a rope until his back was a bloody mass of welts. That day Jesse made up his mind to join his brother Frank and fight with Quantrill.

JUST A COWARD

"Frank James had a score to finish with the Federals, and so did Jimmy Little after his brother Johnny was killed by them," Liggett went on. "It chilled my blood to see Frank at close range. I guess I'm just a coward," he laughed. "My Bushwhacking relatives used up all the bravery in the family. Grandpa Liggett came from Illinois and bought a 600-acre farm near here. He protected his brothers-in-law, partly out of fear and partly because he liked them, and after the war he got into politics and was elected county marshal.

"My Great-Uncle Jimmy said to me, 'Son, never tell about us as long as I live,' and I never did. He was so resentful over the death of Johnny that he killed easy after that. One day in a skirmish with the Union soldiers near Heifner railroad crossing, Uncle Jimmy shot a federal cavalryman off his horse. He called back to the Rebs who were following on fast horses, 'Shoot him again!' They thought the soldier was already dead and did not shoot. In the fury of the battle the soldier escaped and crawled to safety. Jimmy shouted, 'I'll never take another prisoner!' and he lived to prove it."

Liggett continued: "The code of the Bushwhackers was if their enemy was killed in battle his possessions belonged to them, and they expected the same treatment.

"One day a band of Bushwhackers and Jimmy Little came upon a lone federal cavalryman watering his horse in the middle of the creek. 'Let him alone, Jimmy,' his companions said, 'we want to ask him some questions and find out where the feds are hiding.' But the only question Little asked was 'How much do you want for your horse?'

"The federalist shouted, 'You'll have to take him over my dead body!' The reply made Jimmy mad and he shot the soldier right above the ear, with one shot. Lifeless, he toppled into the shallow water.

"After the war, Jimmy Little went to Kentucky and his family never heard from him again.

"Jim Hopkins'—another Bushwhacker in these parts—aunt told me many times this story," Liggett said. "The woods were full of Bushwhackers and many were farmers. Hopkins' little daughter, Nancy, about 12 years old, was walking home along the road near East Fork creek one day when she recognized Frank and Jesse James riding their magnificent horses toward her. Panic-stricken, she tried to escape unnoticed by cautiously working her way up the side of the bank. The two riders, seeing her, stopped their horses. Jesse asked, 'Who is the little girl?' Frank replied, 'Why that's Nancy, Jim Hopkins' little girl.' Then Jesse said, 'Little girl, come down and don't be afraid of us. This road belongs to you as well as anyone else.'

Liggett bent over in his chair and laughed and rubbed his forehead in a familiar gesture. Ruth, his wife, for over 50 years, sat nearby and smiled at him, listening attentively.

"I tell you if you can't laugh at things, life isn't worth livin'," he said.

Mrs. Liggett smiled in agreement. Both look unusually young for their age and have a delightful sense of humor.

COLE YOUNGER

"I also saw Cole Younger, on Maple avenue in Independence when I was 12 years old," Liggett said. "He and Frank were good friends but not with Jesse."

At the Northfield, Minn., bank robbery, 1876, by the Younger-James band, all the bandits were killed or captured except Frank and Jesse.

A quarrel ensued between Cole and Jesse when he wanted Cole to leave his brother Bob who was badly wounded. Cole refused and he and his brothers were captured and Cole served 25 years in the state penitentiary.

"Cole as well as Frank during Bushwhacking days had their horses trained to take their rider into battle from a walk to a full run with both reins held in the teeth, a gun in each hand, cocked and ready to fire. It was

a 2-gun business to be a Bushwhacker. It was also an unwritten Bushwhacker law to respect each other's guns," Liggett emphasized.

The bank robbery at Northfield, Minn., spelled doom for the Jameses and Youngers.

Frank was tired of running and wanted a peaceful life with his beloved wife, Annie, and son, Robert.

After Jesse was murdered by Bob Ford, 1882, Frank was afraid he would be ambushed for the $10,000 reward hanging over his head.

Frank James surrendered to Gov. Thomas Crittenden in Jefferson City on October 5, 1883. He presented his two six-shooters to the governor and said, "You're the first man to touch my guns. My life is in your hands."

Frank was acquitted on February 21, 1885.

In September, 1897, he went to the battlefield at Centralia, Mo., to pay homage to his dead comrades. A reporter from the Herald newspaper was there asking him questions about his Bushwhacking days. He quoted from Macbeth, "Never shake thy gory locks at me; thou canst say I did it."

WARMED-UP NEW DEAL PANACEAS WILL NOT HELP THE ECONOMY

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. ANDERSON) is recognized for 30 minutes.

Mr. ANDERSON of Illinois. Mr. Speaker, in a recent statement, the Democratic leadership of the House charged that there is little prospect for recovery "as long as we continue to follow the do-nothing policies" of the administration. Rather than acquiesce in the "grim dimensions of the real human tragedy and waste" allegedly stemming from the current economic downturn, the Speaker announced that—

> Congress is prepared to act . . . (to fill) the void left by the inactivity of the Nixon Administration.

These actions were to include immediate approval of the $2-billion public works bill and a $1-billion public service employment measure, new legislation to raise the minimum wage to $2 per hour, federalization of welfare costs, the establishment of an Urban Development Bank, and the unfreezing of nearly $12 billion in appropriations for the current fiscal year. Together, it was promised, these measures hold out the "hope that the initiatives we take in the months ahead will restore our economy to its full potential."

This is an ambitious package of programs, to be sure, but just how much will it really contribute to the promise of restoring the economy to full employment? Is it possible that the economy has undergone such extensive and profound changes in recent years that these essentially New Deal pump-priming, wage-propping, job-creating programs no longer promise to be fully effective in helping to revive a sluggish economy? Are they based on an oversimplified and outmoded understanding of the unemployment-inflation problem?

I think the answer to these questions is "Yes." In my view, there is strong reason to believe that policies which focus too exclusively on the single factor of aggregate demand, as do the alternatives offered by the Democratic leadership, may not only prove to be ineffective remedies but may even compound the problem. This follows, in part, from the fact that steady shifts in the structure of the labor market mean that current overall unemployment rates are not strictly comparable with similar figures from earlier periods.

To be concrete, the current figure of 6 percent unemployment indicates the total number of workers out of jobs, but it tells nothing about the distribution of these unemployed workers nor about their status in the labor force. Yet, the distribution and status of unemployed workers is probably just as important in the determination of appropriate fiscal policy as is the overall rate. The fact is there has been a significant change in these factors in recent years, and these changes may well tend to lessen the effectiveness of the traditional pump-priming solution to unemployment.

Consider first the changing composition of the labor force, specifically the increasing proportion of female and teenage workers. Between 1951 and 1970, the proportion of female workers in the labor force increased nearly 30 percent. During the same period, the portion of young males and females increased substantially, while the share of prime-age male workers dropped from 55 to 48 percent of the labor force. Since they tend to be concentrated in the more marginal sectors of the economy, temporary unemployment among these new workers does not have the same significance for the economy in loss of production, man-hours, and dollar value as does idleness of prime-age male workers in the economic mainstream.

And the fact is, unemployment tends to be disproportionately concentrated among these new workers, especially young male and female workers. In 1956, 31 percent of all unemployed workers were under 25; by 1969 the percentage was fully 50 percent. This shift can further be demonstrated by the following comparisons: In November of 1970, the seasonally adjusted annual unemployment rate was about 5.8 percent, approximately the same rate that prevailed in 1949, two decades earlier. Yet in 1949, the unemployment rate for workers under 20 was 13.4 percent while in November of 1970 the rate was 17.5 percent for the same group. This is an increase of 31 percent. By the same token, the rate for men 20 and older in 1949 was 5.4 percent but only 4.2 percent in 1970. This means that at a constant overall unemployment rate, the rate for prime-age male workers was over 22 percent lower. Finally, while the ratio of unemployed male workers under 20 to those in the prime-age group stood at 3.9 in 1951, it had increased dramatically to 6.8 by 1969.

The conclusion to be drawn from this, I believe, is that the overall unemployment rate is not as good a measure as it once may have been of tightness or slack in the economy. For any given level of total unemployment, the real rate for mainstream workers is considerably lower because the overall rate is pushed upward by chronic, rising unemployment among marginal workers. This is why the classic pump-priming approach, or the deliberate unleashing of a burst of aggregate demand may not be the most effective way to bring down the overall unemployment rate. Considerably before the economy has been stimulated enough to bring down the unemployment rates to more acceptable levels among young workers, the mainstream labor market will likely have become so tight as to touch off strong inflationary pressures. Thus, it is clear that we cannot spend ourselves into full employment in the Keynesian sense.

The highly respected Brookings Institution economist, George L. Perry, has developed a sophisticated econometric model to demonstrate the practical consequences of this change for economic policy. Simply stated, it has made the job of managing the economy considerably more difficult. The tradeoff between unemployment and inflation has gotten less and less favorable. According to his calculations, an unemployment level of 4 percent—the full employment target—in the mid-fifties was associated with an annual rate of inflation of about 2.8 percent. While this inflation rate is higher than the ideal, I think it is certainly one we can live with. But Perry calculates that today we can expect a 4-percent level of unemployment accompanied by an inflation rate of 4.5 percent—a 60-percent increase. This is clearly unacceptable, and serves to underscore the fact that the President is confronted with a considerably more difficult job than his critics imagine. It also shows why the Democratic panaceas are no real solutions at all.

Consider first such proposals as accelerated public works, public service employment, federalization of welfare, and the release of appropriated funds currently impounded by the Executive. Together these measures could add almost $22 billion to a budget that is already $19 billion in deficit this year, with an estimated $11-billion deficit next year. They could throw even the full employment budget well into the red. What would be the practical consequence of such a sudden surge of demand in the economy? In light of the foregoing, I conclude that the result would probably be an unacceptable increase in inflation for a marginal reduction in overall unemployment.

This is certainly no plea for inactivity or acquiescence in the face of current high levels of unemployment, nor is it a call for strictly balanced budgets and opposition to the use of fiscal and budgetary tools to stimulate the economy. The point is rather that new economic conditions probably mean that the trusty old solution of vigorously priming the pump and expanding total demand cannot be used in the open-throttle manner that was once thought desirable.

I believe the moderately stimulative fiscal policy of the Nixon administration indicates clear recognition of this

important new truth. The record $28.5 billion first quarter GNP increase indicates that the current spending levels geared to the full employment budget are having an expansionary effect, but without undermining the battle to slow down the totally unacceptable rate of inflation set in motion by the irresponsible fiscal policies of the last Democratic administration. To be sure, progress in winding up the economy is going to be slower than many who favor obsolete big spending remedies would like. But the fact that both the consumer and wholesale price indexes have increased at an annual rate of less than 3 percent during the past 2 months, indicates that patience and steadiness will pay off in the long run.

The other major proposal to revive the economy put forward by the Democratic leadership is even more of a throwback to the New Deal mentality; namely, the promise to immediately raise the minimum wage to $2 per hour. The obvious aim again is to expand purchasing power on the assumption that all the economy lacks is enough effective demand. But again, the excessive emphasis on stimulating demand may actually undermine the very objective of reducing the unemployment rate.

I have argued that the aggregate unemployment rate may be misleading because of the high concentration of unemployment among young and marginal workers. One would think, then, that any program aimed at reducing the overall unemployment rate would pay particular attention to reducing unemployment among these workers. Yet, the proposal to increase the minimum wage would probably have just the opposite effect.

In the period between 1960 and 1968, the minimum wage was increased four times and each increase was followed by a sharp rise in unemployment among young workers. In 1961, the unemployment rate for workers under 20 was 17.1 percent just prior to the effective date, and rose to over 18 percent just after. When the minimum wage was increased again in 1964, during a period of rapidly declining overall unemployment, the rate for young workers rose from 16.1 to 17.4 percent. In 1967 and 1968, the unemployment rate for this group increased 14 and 12 percent, respectively, after the effective dates of further minimum wage increases.

In my view, there is no reason to believe that a further—and much larger—increase in the minimum wage at this time will not have an even more adverse impact on unemployment among the young and marginal work force, because sagging profits have made employers unusually prone to cost-cutting measures, including the elimination of unprofitable, marginal jobs. In short, what is intended to be a measure to lower unemployment by stimulating aggregate demand, may end up increasing it among the very groups that keep the overall rate at artificially high levels now.

In light of the obvious inadequacies of the grand alternative strategy offered by the Democratic leadership, just what can be done to improve the functioning of the economy? The answer is twofold:

First, we must continue on the moderate expansionary course outlined by the administration. It promises to bring steady movement toward a restoration of full production while holding inflation to tolerable levels; but, we must recognize that changed economic conditions mean that mere manipulation and expansion of demand are no longer adequate means of promoting recovery. In particular, we need to augment the prudent aggregate policies of the administration with policies specifically targeted against structural defects in our economic system.

The administration has already taken an important step in this direction with the establishment of stabilization machinery in the construction industry. All the hypocritical prattle opposing "selective controls in a single industry" notwithstanding, wage levels are way out of line in the building trades and must be brought under control. Last year, for example, the average increase was over two times that in manufacturing. Not only do these excessive wage rates increase costs in the construction industry and undermine the achievement of our housing goals, but they exert a tremendous pull on wage rates in other unionized sectors of the economy. The Democratic leadership complained that—

> Unemployment among construction workers is close to 11%.

Yet, are we supposed to believe that the administration is responsible for this state of affairs, when obviously it is the unions which are pricing themselves out of the market?

Second, we can carry through the Treasury Department plan to liberalize depreciation allowances, and consider other measures—such as reenactment of the investment credit—to stimulate new investment. It is indeed strangely inconsistent that the other party should complain that "projected expenditures for plant and equipment by business are expected to remain virtually flat in real terms," and then turn around and lead the charge against the new Treasury guidelines.

Despite all the recent loose rhetoric about loopholes and a tax break for business, the liberalized depreciation guidelines promise to make a very important contribution to more effective management of economic growth. For this reason they should be viewed not as a tax preference, but as a measure in the broad public interest.

As I said earlier, the tradeoff between inflation and unemployment has become less and less favorable in recent years. This means that we can no longer rely as heavily on a strict policy of reducing total demand in order to fight inflation, because the cost in higher unemployment has become too great. It is therefore essential that we find other less costly tools to aid in the battle against inflation, and I believe that one of these should be more rapid growth in productivity. Greater productivity will allow companies moderate increases in both wages and profits, without excessive price increases leading to inflationary pressures. By spurring more rapid growth in productivity, the liberalized depreciation guidelines promise to make an important contribution to fuller employment at lower levels of inflation. This is surely something that is in the interest of all Americans.

Finally, we need to think in a much more creative way about manpower training and public service employment. While well intentioned, the Democratic manpower programs of the 1960's focused almost exclusively on young, marginal, and unemployed workers and trained them for semiskilled jobs already in short supply. What we need to do in the 1970's, I believe, is to develop programs geared to the actual structure of the labor market. This means a new emphasis on upgrading currently employed blue-collar workers for technical, highly skilled and white-collar jobs where the real shortages now exist.

Such a shift in focus would have two important consequences: First, the intense wage pressure that stokes inflation in these sectors would be dampened; and second, many new job slots in the blue-collar mainstream would be vacated, to be filled by the marginal and unemployed workers that we do continue to train.

Our fundamental problem is that we have too many workers competing for a limited number of jobs at the bottom of the employment ladder. This is not due primarily to slack in the economy. I submit that the real difficulty is structural. The basic fact is that the makeup of the American labor force is several years behind the changing job structure of our technologically dynamic economy. The goal of our national manpower policy, therefore, must be to retain the labor force to better fit these changing job opportunities.

I do not see how a massive emergency public service job program can serve this purpose any better than the manpower training programs of the last decade. Such a program is based on the assumption that American firms will never be able to offer jobs to the large number of marginal and semiskilled workers at the bottom of the labor force, and that these workers, must, therefore, be sopped up by public make-work projects.

I realize that many would argue that we need an expanded public work force in order to deal with the problems of health, sanitation, environmental restoration, and the like. But proponents of large scale emergency public employment consistently refuse to put a time limit on public jobs. In my view, this indicates quite clearly that they have no real hope of finding permanent jobs for these subsidized workers on State and local payrolls. At bottom then, the emergency public service employment panacea is a recipe for a permanently subsidized public job market.

But do we have to settle for this? Is it really the case that the American economy cannot use these workers? That we must permanently tap the Treasury to subsidize unproductive jobs in order to maintain full employment? I think not. I think marginal and semiskilled workers can be retrained and upgraded to match the real needs of the private and public

sectors. I believe the chronic manpower surplus at the botton of the job ladder can be reduced without bloating the public payroll. But this cannot be accomplished if we try to spend our way into permanent make-work programs or programs to train the unskilled unemployed for jobs that currently do not exist. Instead, we must use our limited funds for manpower programs aimed at upgrading, adjusting, and retraining across the entire labor force, not merely at the bottom. For it is the entire labor force that is out of joint with the needs of the economy and until we change the basic focus of manpower policy to account for this fact, we will make no real headway in reducing either the shortages in some sectors or the surpluses in others which undermine steady, high-level economic performance.

In making these points, I do not wish to imply that there is no place for public service employment programs or for manpower training programs aimed at the unemployed and marginal worker. What I am calling for is more balance and realism. Indeed, current economic circumstances, and the fact that there are growing opportunities for use of public service employees in genuine paraprofessional roles, mean that a modest public service employment program may well be in order. But any funds made available should be expressly tied to a cutoff mechanism so that only persons who can legitimately hope to find permanent places in the public sector will be brought into the program.

In conclusion let me say that my criticism of the programs offered by the Democratic leadership in no way implies satisfaction with the current state of the economy. Far from it. I do believe, however, that the President's balanced, moderately expansionary fiscal policy is the prudent course for the present, and that there are strong signs that it is beginning to have a significant effect in quelling the raging fires of inflation that have racked our economy for the last 4 years.

There is much more yet to be done, particularly in dealing with some of the structural deficiencies of the economy I have touched upon today. But I want to stress again that these cannot be remedied by resorting to warmed-over New Deal panaceas. Open-throttle expansion of total demand promises to destroy through inflation any gains made by reducing unemployment. While raising the minimum wage may be desirable over the long run, I am convinced that an immediate 22-percent increase, as proposed by the other party, will eliminate more jobs than it will create—especially when we remember that it will take more jobs away from those groups where unemployment is already highest. Business baiting of the type implicit in the current opposition to the depreciation liberalization is simply a revival of the old harangue against economic royalist, and obscures the real public interest in more rapid capital investment. And finally, the proposal for massive emergency public service employment is, at bottom, a narrow, costly way of dealing with a symptom that can only be cured by balanced training and development of the entire labor force, geared to the broader needs of the whole economy.

SCHOOL BUSING

The SPEAKER. Under a previous order of the House, the gentleman from Colorado (Mr. McKEVITT) is recognized for 5 minutes.

Mr. McKEVITT. Mr. Speaker, the issue of school busing is a critical one and one that is of interest to all of us.

All of us are aware of the Supreme Court's decisions on this issue which were handed down on Tuesday. While the decisions may have answered most of the questions for school districts in the South, they seem to leave unanswered questions held by Denver school officials and by school officials in other northern cities.

Mr. Speaker, I would hope that the U.S. Supreme Court would get on with it. To my knowledge, the Court has never dealt specifically with a northern case involving either de jure or de facto segregation. Instead, it generally has been left to lower courts to attempt to decipher what the Supreme Court might be thinking in these matters.

The situation reminds me of the plight which faced law enforcement officers for a number of years after such cases as Miranda. The Court chipped away at this block of cases slowly, which caused uncertainty for law enforcement officers for years.

The same thing is happening to school officials in the North. In Denver, our school officials want to obey the law. The problem is that they are uncertain what the law is insofar as school desegregation and busing are concerned.

There is a good deal of consternation among school officials all over the North. I would hope that the Supreme Court would move quickly to resolve the situation and put down some specific and precise guidelines on the question of busing to deal with de jure segregation.

It was not too long ago that the Supreme Court moved rapidly with a decision regarding conduct of defense counsel and defendents during the course of a trial. The decision was timely and needed.

A decision putting down additional guidelines for forced busing would also be timely and it is needed. I would hope that the Supreme Court would move with some dispatch in resolving this dilemma.

THE PRESIDENT'S PROGRAM FOR PEACE WITH FREEDOM IN SOUTH VIETNAM

The SPEAKER. Under a previous order of the House, the gentleman from New Jersey (Mr. HUNT) is recognized for 10 minutes.

Mr. HUNT. Mr. Speaker, it is amazing that the party that brought us 3 years of the Korean war and 7 years of the Vietnam war has suddenly decided it knows how to make peace. Its formula is to abandon our commitments and turn the South Vietnamese over to the Vietcong. This approach runs counter to the leadership of that party, as recently as the 1968 campaign, when its candidates were vociferously supporting our commitment, and the buildup of troops to the half-million-man level.

The Hue massacre, where 2,700 perished at the hands of the Vietcong, was an example of the kind of bloodbath that could be expected if we were to pull U.S. troops out of Vietnam before the South Vietnamese are fully prepared to defend themselves. It should weigh heavily on the conscience of any Member of Congress tempted to play politics with the war—anyone who is tempted to join the stampede toward a dishonorable settlement on the enemy's terms. This is what Hanoi has called for, and this is exactly why we cannot end the war on those conditions.

President Nixon is phasing out this war—just as President Eisenhower phased out the last Democrat war in Korea. Mr. Nixon has a plan and a workable, honorable program to get American combat troops out of Vietnam. He already has cut troop levels nearly in half. He has reduced the intensity of the fighting, and by his courageous decisions to go into Cambodia and Laos has crippled the enemy's capacity to expand the war.

Vietnamization is moving ahead rapidly. The South Vietnamese are swiftly developing the capability of their own armed defense. The President needs the support of the American people in his efforts to end this war on terms that will provide some hope for future peace in Asia and which will head off future Communist aggression. If the Asian Reds are allowed to declare a military victory—and they would do so if we threw the South Vietnamese to the wolves—it would only encourage further territorial aggression in Asia, and endanger world peace for the decade of the 1970's.

This is a time when we must meet the challenge of greatness. We have assumed leadership in defending the free world—and freedom of choice for the South Vietnamese is our purpose in being in Vietnam. It is a time when we must resist the blandishments of taking the easy way out, when we must cling to our national integrity, and back our President's program which is practical and working well, and which promises peace with freedom in South Vietnam.

A GI'S "OTHER" VIETNAM WAR

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. DANIELSON) is recognized for 5 minutes.

Mr. DANIELSON. Mr. Speaker, significant actions of individual servicemen to alleviate misery suffered by the Vietnamese people are worthy of note. Such is the story of the continuing efforts of Army S. Sgt. Donald L. Fryer of Alhambra, Calif.—one of the cities in the district which I represent.

Sergeant Fryer's dedication to helping orphans and the aged in Vietnam started in 1967 while he was stationed there, and led him to request return to Vietnam and civic action assignment after being sent back to the safety of the United States. His commitment is notable, also,

for its accomplishments: malnutrition has been eliminated in the Go Vap orphanages and other needs are being met.

I commend to the Members of the Congress the fine example set by Sergeant Fryer, who is serving both his country and the unfortunate victims of the war in Vietnam:

[From the Los Angeles (Calif.) Times, Mar. 24, 1971]

A GI's "OTHER" VIETNAM WAR

(By Jean Murphy)

Army Staff Sgt. Donald L. Fryer began fighting "the other war" in Vietnam at Christmastime, 1967.

"I had collected toys for some orphans," he said. "When I walked into the orphanage, they handed me a baby—she was really, really frail—and asked did I have any food. The baby died of starvation while I was holding her."

Since then, the Alhambra soldier has dedicated himself to fighting hunger and misery in Vietnam by collecting food, clothes, medical supplies and other items for 2,000 orphans. He also helps the aged in a hospital near his outfit, the 1st Military Intelligence Battalion (ARS).

("Perhaps no other soldier," Timesman Jack Foisie has written from Saigon, "can match his performance for volunteer assistance to Vietnamese orphanages and hospitals."

Currently at home on a brief leave, Sgt. Fryer said that "I personally feel that if we are to salvage anything from this war, we must win this other war. Money and effort, not to mention the lives, will be wasted if we do not succeed in helping these real victims of the war."

When Sgt. Fryer first visited the Go Vap orphanage, which operates at three locations near Saigon, "The children were dying 8, 10, 12 a week from starvation."

Sgt. Fryer "began writing home and things began coming in and in eight months' time, we did away with malnutrition. For the last 10 months I was there, wasn't one death from starvation."

Sent back to the United States, he tried vainly to keep the project going from his recruiting post in Pasadena. Last September, he returned to Vietnam at his own request and was assigned to work full time on "civic action" for the orphanages. The battalion's civic actions committee, which serves in an advisory capacity, is headed by Maj. Gerald W. Trapp of West Covina.

Sgt. Fryer said the orphanages get some help from a Catholic welfare agency but that they have no source of steady income, government or private.

"Most of the children at Go Vap are war orphans and increasing numbers of them are Vietnamese-American," Sgt. Fryer said. He said he did not know the total number of orphans and fatherless children in Vietnam but that "in Saigon alone, there are 120 orphanages ranging in size from 40 kids up to 2,000." Polio, he added, is widespread.

On leave in the Los Angeles area to visit his wife and parents, Mr. and Mrs. Frank Fryer of Alhambra, and to seek aid for the orphans, Sgt. Fryer said:

"We're not soliciting from corporations. We're just asking Joe Citizen to share a little with these kids."

Needed are food, clothes, infant formula and bottles, diapers, vitamins, safety pins, disinfectants—anything babies and youngsters must have. Also needed are food and clothing for the aged.

Donations may be sent to the 1st Military Intelligence Battalion (ARS), Civic Actions Committee, APO San Francisco 96307. In addition, the committee has a special trust account in the name of Vietnamese Orphanage Project at the First City Bank, P.O. Box 29, Alhambra 91802, where financial contributions may be made.

"We draw from there to buy such things as rice, beds and building materials," Sgt. Fryer said.

Sgt. Fryer, who more than once has been called "father to 2,000 orphans," now has one of his own.

He and Mrs. Fryer are adopting a boy they have named David Mathew. David is a Vietnamese war orphan and he will be 3 years old in April.

TESTIMONY BY I. W. ABEL, PRESIDENT OF THE UNITED STEELWORKERS OF AMERICA—INSURING AND GUARANTEEING EMPLOYEE BENEFITS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. DENT) is recognized for 30 minutes.

Mr. DENT. Mr. Speaker, one of the most important bills that will be presented to the House during this session of Congress will be H.R. 1269, proposed legislation to insure and guarantee employees benefits under welfare and pension plans.

I present to the House outstanding testimony given by I. W. Abel, president of the United Steelworkers of America before the General Subcommittee on Labor, as well as a summary of the major provisions of the proposed act.

The meeting before this committee was attended by the largest number of people to attend a public hearing on a specific piece of legislation in my 40-odd years of legislative duties. This shows, without a doubt, the very serious nature of this legislation and the intense interest of the millions of Americans covered by private pension systems. I am asking that this be presented for the purpose of bringing, to the attention of Congress, the provisions of the proposed act, and the clear and concise analysis of the needs and requirements in this legislation to guarantee all the participants in private pension plans a security of their pension rights and entitlements.

It would be of great assistance to the Members themselves to read this presentation and blue sheet of facts, in order to clear up many misunderstandings concerning this important legislative proposal. I present the testimony and summary at this time.

TESTIMONY BY I. W. ABEL

Mr. Chairman, I thank you and the committee for your kind invitation to appear before you today and to speak for some 1.2 million members of the United Steelworkers of America on a subject that is a priority concern of our union.

I have with me today, Mr. Jack Sheehan, our Legislative Director, and Murray Latimer, who is our actuarial adviser.

I want to extend to you, Mr. Chairman, on behalf of my fellow Officers, and the members of our Union, our appreciation for your interest, concern, and efforts, in obtaining passage of legislation that will strengthen and guarantee the private pension system in this country.

We also commend your fellow committee members for their interest and concern in this very complex and vitally important area.

It is my hope today, as I attempted to do when I appeared before you last year, that I can convey to you the earnest desires and the hopes of our members for Congressional action to protect and guarantee their pension rights. These desires and hopes are understandable because no union in the world has as many members covered by private pension plans as does the United Steelworkers of America. Currently, we have some one million members who are covered by pension plans negotiated by our union. Almost 183,000 of our members are now being paid pensions under these negotiated plans. As I stated in my last appearance before this committee, reserves in these plans have been accumulated in excess of $3 billion. While this is an impressive figure, it is not impressive enough to guarantee fully the ability of many of the plans to meet all their obligations.

What we desire, and what we are urging upon this session of Congress, is legislation which will—in effect—make retirement mean what it is supposed to mean: Warm days of sunshine and security; not cold days of uncertainty and fear.

What we desire is legislation which will guarantee that years of labor under a pension plan shall not be in vain; that a change of jobs, that financial instability, that inadequate funding, shall not deny a worker the pension he has labored for. Unfortunately, we in the Steelworkers have had some 75 bad experiences, and in some cases affecting thousands of workers.

As I said, this is indeed a very complex field requiring careful study. But I believe the necessary homework has been done and that action now can be taken so that a pension plan should not be a game of chance for workers.

I have read the testimony of industry witnesses before this committee, and I have heard much of it before. You too have heard such arguments against legislation designed to protect and advance the welfare of workers.

Mr. Chairman, I recall your own observation during the hearings last year that you didn't remember any drive that was more intense than the drive in Congress to prevent the insurance of bank deposits. Yet, today, as you noted, bankers advertise this fact in seeking customers.

In the industries under our jurisdiction we have had a similar experience. Companies bitterly resisted paid vacations, extended vacations, paid holidays—and pensions—yet today they claim such benefits as proof of their own virtuous employment practices.

In brief, I maintain that in a society as affluent as ours, in a society with our skills and knowledge, but most of all in a society which has proclaimed its dedication to promoting the general welfare, we can and must guarantee a worker's economic security in his later years.

The pension from his employer is usually the single largest asset other than Social Security, that a worker has after a lifetime of work. It is almost always more than he has in his bank account, and usually exceeds the value of his home. The average worker retiring at or after age 65 from the major companies under contract with the United Steelworkers of America has approximately 30 years of service. In our recent container industry settlements, an employee with average service retiring at age 65 will be entitled to pension payments after retirement totaling about $45,000.

While the annuity values of pensions may be huge, for some workers this value will turn out to be a paper asset only. Their employers will not have funded these great costs during the workers' active lifetimes. When the time comes to pay pensions at retirement, some employers—by termination of operations or for other reasons—will be unable to provide some or all the promised benefits.

Every responsible witness who has appeared before this Committee has agreed with the necessity for federal legislation to pro-

tect pension rights. But the employer representatives and their supporters attempt to make you believe that only some minor tinkering with the present law will do the job. Since everyone agrees it is necessary to enact standards of fiduciary responsibility and that there should be full disclosure and reporting of the financial activities and operation of pension plans, it is not necessary to belabor these points. However, I repeat as I have said before: While housekeeping measures protecting the integrity of pension funds are an elementary and essential part of federal laws protecting pensions, *real* pension security will come only from the enactment of laws to provide three new pension rights: vesting, funding, and the federal insurance of terminated plans which are insufficiently funded.

I will address myself first to vesting. The basic principle which justifies deferred vested pension rights is this—the right to a pension after a specified number of years of service, or for disability, or after a specified age, is an earned *right*. That is, pension rights are part of the total compensation a worker receives for his labor. The fact that pension rights become payable after work ceases, does not change its essential character as payment for services rendered. When a worker is deprived of his deferred compensation each time he changes employers, or when he loses his job, he has been unfairly and unjustly deprived of part of his earnings.

Although much emphasis is placed upon the loss of benefits due to plant shutdowns, the loss is no less real for those workers who lose their benefits because of failure to vest. As Americans, we pride ourselves on a mobile work force. If this be true, then the individual worker should not be penalized if he exercises his option to seek other employment—regardless of cause. Hence an effective vesting and portability section in any bill protecting pension rights is an absolute necessity.

Various objections to providing vested rights by law have been made at different times to this Committee. These objections are not only irrelevant, but they would seek to perpetuate injustices.

For example, there was the testimony before this Committee on May 20, 1970, by Mr. Robert C. Tyson, Chairman of the Finance Committee of the United States Steel Corporation. In his testimony he argued that if the Congress made "vesting mandatory, and mandatorily you increase our costs, something they (the United Steelworkers of America) do not have to negotiate, and if (they) can get a benefit in (the) employment package that (they) don't have to ask for because the Government gives it to them, (they) would love to have it". In his formal statement Mr. Tyson pooh-poohed the necessity for mandatory vesting. "Over-all", said Mr. Tyson, "we expect that roughly 19 of every 20 of our employees—or their survivors—with 10 or more years of service will receive either pension or insurance benefits, or both, from our company." Thus, the argument seems to go, only 5% of our employees with 10 or more years of service would benefit from legislated vested rights, and this small percentage of beneficiaries should not be given their due unless the Union is compelled to give up some other benefit during contract negotiations. If this argument is valid, it could be used to deny the necessity for *other* forms of social legislation such as minimum wage or overtime laws. Should the laws abolishing child labor be repealed, so that Unions would be forced to give up something in collective bargaining for their re-enactment? There may be employers who think the factory and mine safety laws are unnecessary. Should safe practices and a healthy place of work be dependent on the Union's willingness to sacrifice some essential economic demand? Mr. Tyson, and those who argue like him, are saying that legislation protecting workers' rights should not be thought of as minimum decent and fair standards, which a humane and just society demands for those who labor. They are arguing, in effect, that the nation's basic laws which protect labor from exploitation, should be traded at the collective bargaining table as if justice was a matter of private negotiation instead of a social right.

Let me hasten to add that the alleged consolation which the Tyson figures might provide, is by no means applicable to the vast majority of American workers. Senators Williams and Javits within the last weeks released preliminary data indicating that in some plans studied by them, more than 92% of workers lost all rights to benefits because of lack of more liberal vesting rights. That statistic is just the opposite of the experience recorded by Mr. Tyson and a horrendous conclusion for workers.

Mr. H. C. Lumb of Republic Steel, representing the National Association of Manufacturers, has even indicated what could be suitable for trading at the bargining table. In his testimony on March 28, 1970, Mr. Lumb said, "The alternatives to vesting may be either larger normal retirement benefits for those nearing retirement age, disability pensions, perhaps an early retirement feature, or widow's benefits—to name a few". In other words, let's make the Unions trade off benefits for their totally and permanently disabled members who will never again be able to work, or benefits for the widows and orphaned children of their dead members. He is saying we should obtain, by negotiation rather than legislation, the rights that employees have earned after years of service. Laws establishing fair labor standards are based on the fact that only a small minority of employers are unwilling to treat their employees fairly. The aim of labor legislation is to establish the *minimum* standards which all employers must comply with, so that competition can be based on such factors as quality, service and price, rather than on the exploitation of labor.

Arguments against pension vesting legislation which would trade one fair standard for another, make about as much sense as would an argument against minimum wage legislation which suggested that the Wage and Hour Law should not be amended unless its proponents were agreeable to a reduction in Social Security benefits. Deferred vested pension rights should be provided by *law* because they are a basic element of pension security for workers.

Now, to turn to funding. Funding of pensions, if we are to judge by what witnesses before this Committee continuously claim, is as praiseworthy as virtue and charity.

The testimony previously given before this Committee, reveals the following typical statements by various employer witnesses:

"NAM (National Association of Manufacturers) also endorses funding of private pension plans."

Mr. Tyson for U.S. Steel, "We favor adequate funding . . ."

Mr. William F. Lackman, Morgan Guaranty Trust Company, representing the American Bankers Association, "We believe that the funding of pension plans does not present any serious problems."

Mr. John Moore, The Wyatt Company, an actuary, "It is also in the public interest to encourage employers with unfunded pension programs to convert them to advance funded plans."

Mr. E. S. Willis, General Electric Company, speaking on behalf of the Chamber of Commerce of the United States, "Employers and pension plan administrators recognize the need to build reserves."

The representative of the Bell Telephone Company, stated, "We in the Bell System believe in the sound financing of pension plans." The Life Insurance Association of America advocated "reasonable vesting and strong funding arrangements in private pension plans." While many employer spokesmen may have endorsed the concept of funding of pension plans, it would be difficult to find such spokesmen who support legislation to *require* the funding of pension plans.

What is meant when it is said that a pension plan is fully funded? A pension plan is considered to be fully funded when—on any date—the pension fund reserves are actuarially sufficient to pay all the benefits of the plan based on the service of the participants up to such a date, without any further contributions to the pension fund. This condition can come about only if regular contributions are made to cover each employee's accrual of service each year, and to amortize the unfunded past service liabilities of the plan. If a plan terminates before the date full funding is achieved, the unfunded pension obligations will be lost unless they can be paid from the assets of the company.

Since almost all employers, bankers, actuaries, and insurance representatives recognize that funding of pensions is essential for the eventual payment of benefits, one begins to wonder why most of these same people oppose legislation which will require adherence to an essential element of pension financing.

Many employers who are funding their pension plans and who oppose the compulsory funding of pensions are trying to avoid being required permanently to adhere to sound standards of pension financing. In essence, they are saying, "We'll be glad to fund pensions voluntarily as long as we think we want to do so. But, if we should change our minds, we want the right to quit at any time—without the government saying, you cannot."

As to those companies which have undertaken to pay thousands of dollars in pensions to their individual employees but which do not fund or deliberately underfund their accrued and accruing liabilities, it is obvious they do not intend to honor their obligations. The rising disbursements of pension payments in any new plan are usually not felt until the passage of 10, 20 or 30 years. The irresponsible owner who intends to abandon his business before rising pension costs prove to be what he regards as an excessive drain on profits, may complain about his being denied flexibility to meet his obligations as he pleases. What he really means is that he wants the right to assume large obligations to pay pensions to his employees at a future date, but that he wants to be free not to accumulate the money necessary to pay them. The retired victim of such an employer will have no way to undo retroactively the loss of pension fund contributions which should have been made during his working life. And shall we tell him the reason why he is without a pension is that we wanted to give his employer flexibility?

The establishment of laws requiring the funding of pension liabilities is as legitimate a function of government as are the regulation of bank reserves to insure the safety of depositors' bank accounts. It is as legitimate a function of government as is the requirement of reserves to insure the integrity of policies issued by insurance companies. Arguments are put forward to allow employers to have self-insured pension plans without any fixed requirement for amortizing liabilities. This is equivalent to saying that bankers should not be compelled by law to maintain any fixed ratio of assets to deposits or for insurance companies to maintain legally established levels of reserves. It will be noted that every soundly run bank should have proper ratios of assets to deposits, and loans should always be made on the basis of sound collateral, but it would be absurd to suggest that banking laws regulating these matters

should not be enacted because some high flyers might be discouraged from starting up *new* banks to accept deposits.

Yet, that is precisely the argument advanced by some spokesmen for industry in opposition to laws requiring pension funding. A typical statement is made by the NAM which says that compulsory funding "would slow down normal pension plan improvements while discouraging the establishment of new plans." This statement is totally illogical, if not downright silly. If pension promises can only be paid if the accruing liability is funded, how can anyone urge the government to permit or encourage the establishment of plans which are almost certain not to pay their benefits? The failure to establish such new plans is no more to be regretted than the failure to establish banks and insurance companies which intend to operate without proper reserves.

If a Company cannot afford to pay the discounted contributions under a funding formula while its employees are actively at work and earning their pension rights, how will it pay the full cost of the benefits when they fall due? Whether a plan is funded or unfunded, the same number of employees will retire and will expect to live their lifetimes on pension. But let us look at the difference in costs when benefits are paid directly from current income, or when they are paid from a pension fund.

A 65-year-old male retiree on a pension of $300 a month will, on the average, be paid $51,840 during the remainder of his lifetime.

If the Company, to insure the payment of the employee's benefit for his lifetime, decided to put aside, at age 65, the total amount required to pay the same employee the $300 per month from capital and interest, the amount required is only $38,675.

Finally, let us assume that the Company funds the same obligation by making annual contributions to a pension fund during each year of the employee's 35 years of active employment. Now the Company needs only to put aside $475.44 a year for 35 years. At 3½% interest, compounded annually, these relatively small annual contributions will total the nearly $39,000 required to fully fund the retiree's pension, *but all the Company would actually have contributed is $16,640.* In other words, the *funded* cost is only 32% of the pay-as-you-go, or *unfunded*, cost. How can it reasonably be argued that a Company, which cannot fund a total of less than $17,000 in 35 years, can pay a pension of almost *$52,000* over 14½ years?

The truth is that a Company which does not fund its accrued and accruing financial liabilities for pensions, probably has no intention of meeting its obligation.

For many years, particularly late in the last century, hundreds of banks and insurance companies failed. These failures were particularly intense during periods of business depression, and rose to a peak in the early years of the Big Depression. But even in good times, banks and insurance companies were constantly failing due to under capitalization, inadequate reserves, poor investment policies and poor, if not dishonest, management. The failures of banks and insurance companies frequently meant the loss of millions of dollars and great suffering by many people, particularly working people.

The life insurance industry has been regulated by the states for the past 60 years. The basis of this regulation which has raised the industry to one of the most stable in the Nation, has been the requirement of adequate levels of reserves and the definition of what are proper types of investments. The banking industry has also been strengthened and protected by legally established forms of reserves, standards of investment and loan policies, and extensive government audit and examination of banking operations and management.

The Nation's private pension system can *avoid* the scandals and suffering brought about in the early days of banking and insurance because of inadequate financing, unsuitable investments and mismanagement by irresponsible managements. The regrettable part of these early episodes was that the manipulations of a few could bring ruin to many or all. It may be argued that the legal requirements for capitalization, specified reserve levels, proscribed investment policies and high standards of management have discouraged some fly-by-night operators from starting up banks and insurance companies. However, these discouragements do not seem to have denied Americans the opportunity to deposit or borrow money, or the opportunity to buy life insurance. On the contrary, those who avail themselves of the services of our legal reserve banking and insurance institutions sleep better for knowing their savings are secure.

We, therefore, support the concept of standardized funding of pension plans as proposed in H.R. 1269, but suggest that the actual funding provisions of the bill contain serious deficiencies and should be changed. If they are suggested as a compromise to discourage or divert the opposition of those who oppose federal compulsory funding requirements, we believe they will not succeed. The most serious objection to the proposed funding standards is that they will not succeed in creating pension security for the victims of inadequately funded pension plans.

"Internal Revenue regulations and this bill would not require the funding of all past service liability. All that is done is to specify that the unfunded past service liability is not to increase."

The aim of pension funding *should be* the full buildup of pension funds over the active lifetime of employees so that by the time of retirement the money will be there to pay the pensions.

The problem of pension financing concerns not only termination of operations, it also concerns payment of benefits during periods of economic recession.

In discussing the early history of pensions at U.S. Steel, Mr. Tyson observed in last year's hearings, "We operated on a pay-as-you-go basis to make up the difference (between inadequate pension-fund income and pension costs) for many years—and we came to the 1930's". Then, observes Mr. Tyson, "it was necessary for us to reduce pensions, just as we had to reduce wages, and reduce salaries. When we came out of that period, it was . . . the conclusion of my predecessors, that adequate funding was an essential for the successful operation of a pension plan."

If the largest steel company in the world was forced during the depression to reduce benefits because of underfunding imagine what will happen to unfunded or underfunded smaller company plans if we were to face an economic turndown. The time to acquire the reserves to prevent the loss of benefits in bad times is when business is prosperous. Needless to say, sound penion plan financing serves the Nation's economy well because pension contributions in times of inflationary pressures represent spendable income deferred for a number of years and make capital available for economic expansion.

The legislation enacted in Canada could well serve as a model for the United States. In Canada, provincial law requires that all unfunded liabilities at the inception of the law, be amortized in approximately 25 years. Any new liabilities created by the establishment of new plans or the amendment of old plans must be amortized in 15 years. Actuarial deficiencies as the result of unanticipated changes in experience must be amortized in 5 years. The importance of the Canadian laws lie in the fact that their standards were established by professional criteria to insure pension security for Canadian pensioners. Though not without weaknesses, Canadian laws were not designed to satisfy opponents of sound financing.

And now for re-insurance. The arguments against Federal insurance largely fall into two categories:

1. A recent Pension Research Council study which supposedly shows that most pension plans are soundly funded.

2. Few people have lost their benefits as the result of the failure of poorly or unfunded pension plans.

Although the problem of plan termination and loss of benefits is continuously minimized, the administrative problems associated with meeting this minor problem are constantly dramatized by the opponents of re-insurance. The administrative problems of regulating pension plans are no greater than the problems met every day by pension plan administrators. The valuation of a pension plan cannot be performed by a lay administrator. And outside of the insurance industry, practically all private pension plans are managed by administrators who are not actuaries. Every plan, therefore, is analyzed and has its funding costs determined by an actuarial consultant. The standards used by actuaries are matters of professional study and discussion. Standards are established by consensus and by reference to expert opinion on such matters as interest projections, predictions of mortality, retirement and turnover. If these matters can be determined by professional consensus they can be determined by legislative and administrative standards. In fact, similar administrative functions are now continuously performed by the Internal Revenue Service, State Insurance Departments, the Federal Deposit Insurance Corporation, and by State Banking Departments. A mere claim that an administrative function cannot be performed should carry no weight.

It has been suggested that a re-insurance program will encourage use of pension funds for speculation or will discourage funding that would otherwise take place. The outlawing of such conduct can be accomplished by law or regulation, and is successfully forbidden by law in banking and insurance. It is worth noting, however, that this argument assumes an ability to fund, but that some who can fund will avail themselves of every loophole of law to evade their responsibilities. Reasonably, it should be assumed that the people who do not fund at all at the present time, are the people who could be expected to try to evade their lawful obligations. Working people are not protected from such unscrupulous employers at the present time because the law is silent on how pensions must be funded, and further, no one is policing their activities.

It should be assumed that a minority of persons will attempt to evade the spirit and letter of the regulatory statute. The desired legislation, therefore, must prevent the abuse of plan termination insurance by providing *compulsory* funding standards and by specifying what are approved investments.

This raises the question as to the reliability of the Pension Research Council's report that the overwhelming majority of American private pension plans have voluntarily acquired sufficient reserves to pay earned benefits.

For a technical demonstration of the questionability of applying the Council's findings to all pension plans, I refer you to the analysis of the report appearing on pages 938 through 942 of the printed 1970 Hearings before this Committee. But perhaps a more convincing demonstration of why this study does not tell the whole story, can be illustrated with a very recent example affecting members of our Union.

We were notified recently that the In-

dustrial Division of the R. C. Mahon Co., Detroit, Michigan, is terminating its operations. We were informed that the market value of the assets in the pension fund, as of December 31, 1970, was $731,000. As of that date, the company's actuary estimates that the liabilities of the Plan were $2,306,000.

According to the company, the assets are sufficient to provide full benefits for persons previously retired, and for employees over age 65 who are still working. But after these priorities are satisfied, only 30% of the plan's death benefits are payable, and 352 employees (59% of the total participants) will receive nothing. These 352 employees had an actuarial liability of $1,525,000. Any study of this particular fund's Benefit Security Ratio based on the fund's status in 1968, became completely misleading by 1970. The same would apply to any other fund. In the two or more years between 1968 and the date of the Plan's termination, the Plan's level of benefits were more than doubled. Thus, the Benefit Security Ratio of the plan which is estimated to have been near 66% in 1968, declined in 1970 to about 30%. I assure you the increased benefits negotiated were completely in line with other pension increases negotiated by our Union in the industry and area. Furthermore, just a few short years ago the R. C. Mahon Company was considered one of the most efficient and profitable in its industry. The 352 employees of this Company, who will receive nothing, will not be satisfied that they should lose their pension rights because some employers believe federal re-insurance might present difficult problems.

Please permit me to describe in a little more detail just a few of the 352 employees who will suffer the loss of their pension rights, as things now stand. As of today, thirteen of these employees have fewer than 5 years to retirement. One of the thirteen has almost 31 years of service with the Company. Three have between 29 and 30 years of service. Five have been with the Company for between 25 and 29 years. The three men with the shortest service among this group of near-retirees have between 17 and 21 years of service. In other similar situations I have been asked by the affected men, "What can I go home and tell my wife? We looked forward for years to my retirement and now I have nothing left." Gentlemen, in such situations I am at a loss for explanations. Frankly, I can't conceive of a satisfactory answer. What do you tell a worker who has earned his living and accumulated his pension credits for most of his working life that will justify his losing not only his livelihood, but his retirement pension as well?

It must be recognized that some employers may presently be acting in an irresponsible fashion because their unfunded pension liabilities need not be listed as lawfully binding debts. In the event of bankruptcy, such employers can list the employees who are owed pensions among the general category of creditors or not at all if liability has been limited to the reserves in the pension fund. The present Bankruptcy Laws which were established at the turn of the century were enacted many years before pension plans were common. It is essential, therefore, that the Nation's outmoded Bankruptcy Laws be changed to take account of this problem.

If the status of a Company's pension obligations is changed under the laws regulating pensions and the Bankruptcy Laws, the feasibility and effectiveness of pension re-insurance can be vastly improved. Some have argued before this Committee that such re-insurance should not be enacted because, unlike the insurance of bank deposits, re-insurance is not insurance of existing assets.

However, the purpose of the law should be to re-insure not just the existing assets the employers to pay a certain pension benein the pension funds, but the promise of fit to eligible employees. It is the promise of the employers which the Federal government will guarantee and secure. It therefore is appropriate that the law should require that the funding of the liabilities of pension plans will be considered a legally binding obligation of the Company. This would be shown by a pension liability amortization period provided by law. The pension obligations of the Company would thereby become a Company's liability and would greatly improve pension security. In the event a Company went bankrupt, the unpaid balance of the pension liability note should be considered the same as unpaid wages and given preferred status among the bankrupt Company's debts.

In bankruptcy proceedings, human rights must have precedence over property rights. Most debts of a bankrupt company are of recent origin. However, the unfunded pension debt of the employer has been accumulating since the first date of employment of its oldest employee. Forcing employers to recognize their unfunded pension obligations as an unavoidable debt will reinforce compliance with the proposed laws for compulsory funding.

The status of pension liability notes would permit the administrators of pension reinsurance to handle a terminated pension plan in exactly the same way as bank deposit insurance operates when a bank fails. Because of the preferred status of the pension liability note in bankruptcy, the re-insurance administrator would have access to the Company's liquid assets before having to pay benefits from the insurance reserves. That is exactly the same principle involved in the Federal Deposit Insurance Corporation insurance of bank deposits. Few failed banks are total bankrupts. Before the FDIC pays from its insurance reserves, it uses the bank's good assets to meet the depositors' demands. The analogy between the insurance of bank deposits and pension re-insurance is, therefore, sound—on the basis that both laws would be protecting the rights and property of the workingman, but also that both laws could readily be administered on a comparable basis.

Now in conclusion, I want to point out that the Bureau of Labor Statistics recently found that there is a marked upward trend in the terminating of pension plans The Bureau found that most pension plans do not have sufficient resources to fully discharge all of their liabilities. The Bureau significantly found that about one per cent of all active pension plans fail every year.

We are advocating that the Congress of the United States protect the pension security of the men and women who have spent their lives in service to our Nation's economy.

The problem is not a huge one if we require that all pension plans be funded on a sound basis.

Also, the pensions earned by workers should be permanently granted to them by vesting the rights they earn wherever they work.

In recognition that some small percentage of plans will always terminate before their pension obligations are fully funded, and that Company assets will not make up the deficiency, we must insure that workers' rights will be met by Federal re-insurance of pensions.

Finally, the re-insurance program should be supplemented by providing that unfunded pension liabilities are a legally binding debt, and that a bankrupt company's assets must be pledged to fulfill pension obligations to its employees.

Again, I wish to thank you, Mr. Chairman, and the members of the Committee for this opportunity to be with you. I hope that you will persevere in your task and that the historic legislation we seek, to which our members and all workers look forward, will become a matter of record during the life of this session of Congress. Thank you.

SUMMARY OF THE MAJOR PROVISIONS OF THE PROPOSED EMPLOYEE BENEFIT SECURITY ACT—H.R. 1269

PURPOSES

The purposes of the proposed Employee Benefit Security Act are: (1) to establish minimum standards of fiduciary conduct for plan trustees and administrators, to provide for their enforcement through civil and criminal means, and to require expanded reporting of the details of a plan's administrative and financial affairs; and (2) to improve the equitable character and soundness of private pension plans by requiring them to: (a) make irrevocable (or vest) the accrued benefits of employees with significant periods of service with an employer; (b) meet minimum standards of funding; and (c) protect the vested rights of participants against losses due to essentially involuntary plan terminations.

TITLE I—FIDUCIARY RESPONSIBILITY AND DISCLOSURE

Coverage

SEC. 101. Title I of the act would apply to any employee welfare or pension benefit plan which covers eight or more participants including State, County and municipal plans. It would not apply to plans established by the Federal Government or any of its agencies.

Duty of disclosure and reporting

SEC. 102. The administrator of an employee benefit fund would be required to publish to each participant or beneficiary a description of the plan. The report would include the information required by sections 103 and 104 of title I in such form and detail as the Secretary shall prescribe by regulation. Whenever a plan terminates, special reports would also be required. The Secretary may provide by regulation for exemption from all or part of the reporting and disclosure requirements of any class or type of plan, if he finds that the application of such requirements to them is not required in order to effectuate the purposes of title I.

Description of the plan

SEC. 103. Plan descriptions would be required to be published within 90 days after the establishment of a plan or within 90 days after a plan becomes subject to this title, whichever is later. Descriptions would be required to be republished every 5 years after initial publication. The description would have to be comprehensive and written in a manner calculated to be understood by the average plan participant. Among other things it would have to include: the name and address of the administrator; the schedule of benefits; a description of the plan's vesting provisions; the source of the plan's financing; and the procedures to be followed in presenting claims for benefits as well as those for appealing claims which are denied.

Annual report

SEC. 104. An annual financial report would be required by this section. Information required in the report would include:

The amount contributed by each employer . . .

The amount of benefits paid . . .

The number of employees covered . . .

A detailed statement of the salaries, fees and commissions charged to the plan, to whom paid and for what purpose . . .

The name and address of each fiduciary, his official position with respect to the plan, and his relationship to any party in interest . . .

A schedule of all loans made from the fund . . .

A schedule showing the aggregate amount of purchases, sales, redemptions and ex-

changes of all investments, by categories, made during the year.

Supplementing this information would be schedules designed to highlight party in interest transactions and schedules highlighting investments of over $100,000 or 3 percent of the fund.

If some or all of the plan's assets are held in a common or collective trust maintained by a bank or similar institution or in a separate account maintained by an insurance carrier, the report also would have to include a statement of assets and liabilities.

If some or all of the benefits under the plan are provided by an insurance carrier or other organization such report would also have to include: the premium rate or subscription charge and the total premium or subscription charges paid to each carrier and the approximate number of persons covered by each class of benefits; the total premiums received, the approximate number of persons covered by each class of benefits, and the total claims paid by such carriers; or, if separate experience ratings are not kept, a statement as to the basis of a carrier's premium rate or a copy of the financial report of the carrier.

In addition to the required financial information, each plan would have to provide a copy of its most recent actuarial report. It would also submit a statement showing the number of participants who terminated with vested benefits.

Publication

SEC. 105. The Secretary would be required to prescribe forms for the plan descriptions, annual reports, and actuarial reports required by the previous section.

A copy of the plan description and each annual report would have to be filed with the Secretary of Labor who would make them available for inspection in the public document room of the Department of Labor. The administrator would be required to make copies of the annual report and plan description as well as the bargaining agreement, and trust instrument creating the plan available for examination by any plan participant or beneficiary in the administrator's principal office, in the local office of the employee organization representing the plan's participants, and in such other places as the Secretary may by regulation prescribe.

While a full copy of the annual report would not have to be provided to each participant, the administrator would be required to furnish participants with a fair summary of the latest annual reports. If a written request is made for a full copy of the annual report or any other document relating to the trust, the administrator would be permitted to make a reasonable charge to cover the cost of complying with the request.

The administrator of each pension plan would be required to furnish to any plan participant or beneficiary, at least once each year, a statement indicating: (1) whether such person has a vested right to pension benefits; (2) the vested benefits, if any, which have accrued or the earliest date on which benefits will become vested.

Whenever a participant terminates employment with vested benefits, the plan administrator would be required to furnish him with a statement of rights and privileges under the plan.

Enforcement

SEC. 106. Any person who willfully violates the disclosure provisions of this act would be subject to a fine of up to $1,000 and/or up to 1 year imprisonment. Violation of the provisions dealing with the retention of records subjects a person to a fine of up to $5,000 and/or imprisonment of up to 2 years. Violations of the provisions of section 111(b)(2) (dealing with prohibited transactions) would subject a person to a fine of up to $10,000 or up to 5 years imprisonment, or both.

This section would give the Secretary of Labor authority to investigate any plan. He would be given authority to demand sufficient information as he may deem necessary to enable him to conduct his investigations.

Plan participants, beneficiaries, or the Secretary of Labor on behalf of the participants and beneficiaries would be allowed to bring civil actions to redress breaches of a fiduciary's responsibility or to remove a fiduciary who has failed to carry out his duties. The Secretary would also be empowered to bring an action to enjoin any act or practice which appears to him to violate the title. Civil actions brought by a participant or beneficiary may be brought in either a State or Federal court. However, the Secretary would have the right to intervene in a case and remove it to a Federal District court. In any action by a participant or beneficiary, the court could, at its discretion, allow reasonable attorneys fees and costs. No action would be allowed to be brought, however, except upon leave of the court after a showing of cause.

Bonding

SEC. 110. Every person subject to the fiduciary provisions of the act would have to be bonded.

Fiduciary responsibility

SEC. 111. This section would deem every employee benefit fund to be a trust held for the exclusive purpose of providing benefits to participants and their beneficiaries as well as defraying reasonable administrative expenses. Each plan would have to be in writing. No plan amendments could be made until 30 days after proposed amendments are published to all participants or beneficiaries. Funds would never be permitted to return to the employer.

Fiduciaries are defined in the act as anyone who exercises any power of control, management or disposition with regard to a fund's assets or who has authority to do so or who has authority or responsibility in the plan's administration. Fiduciaries would be required to discharge their duties with respect to the fund: "solely in the interests of the participants and with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims."

A fiduciary would be specifically prohibited from making the following transactions:

Leasing or selling property of the fund to any persons known to be a party in interest (defined to be the employer, employee organization, trustees, fiduciaries, relatives of the above or joint ventures);

Leasing or buying on behalf of the fund any property known to be owned by a party in interest;

Dealing with a fund for his own account;

Representing any other party dealing with the fund or act on behalf of a party adverse to the fund or the interests of its participants;

Receiving any consideration from a party dealing with the fund in connection with a transaction involving the fund;

Loaning money to any person known to be a party in interest;

Benefiting personally, directly, or indirectly, from any transaction involving property of the fund.

Fiduciaries would be free to purchase securities of an employer provided that no purchase is for more than adequate consideration. However, after the effective date of this act, no fiduciary would be permitted to invest more than 10 percent of the fund's assets in the securities of an employer. Investments in the securities of an employer would be subject to all fiduciary standards imposed by this section.

TITLE II—VESTING

SEC. 201. This title will apply to any pension plan to which an employer makes contributions as well as to profit sharing plans which provide benefits after retirement. This title will not apply to plans administered by any Federal Government agency nor will it apply to pension plans to which only employees contribute.

Eligibility requirements

SEC. 202. No plan, after the effective date of this title, will be allowed to require as a condition for eligibility to participate in it a period of service longer than 3 years or an age higher than age 25 whichever is later. Existing plans will be permitted to retain their eligibility requirements for 10 years or until they are amended to provide increased benefits, whichever is sooner.

Nonforfeitable benefits

SEC. 203. Every pension plan subject to title II will be required to vest rights to regular retirement benefits when the plan has been in effect for 5 years or more.

SEC. 203(a). Plans in existence before the date of enactment of this title must vest accrued benefits by one of the following alternatives: (1) vest in full, after a period of service not exceeding 10 years, the accrued portion of the regular retirement benefits (including benefits provided under amendment) which is attributable to periods after the effective date of this title; or (2) vest, after a period of service not exceeding 10 years, 10 percent of the entire accrued portion of the regular retirement benefits (including benefits provided under amendment) which percentage shall be increased thereafter no less than 10 percent per year until 100 percent of the accrued portion of the regular retirement benefits is vested; or (3) vest, after a period of service not exceeding 20 years, the entire accrued portion of the regular retirement benefits (including benefits provided under amendment), the period of service required for vesting then being reduced at least 1 year for each year the plan has been in effect after the effective date of this title until the required period of service does not exceed 10 years; (4) vest in accordance with such other provisions as the Secretary of Labor might hold consistent with the purposes of this title.

SEC. 203(b). Plans created on or after the date of enactment of this title must vest benefits by one of the following alternatives: (1) vest in the sixth year of the plan's operation, after a period of service not exceeding 15 years, the entire accrued portion of the regular retirement benefits, the period of service required for vesting thereafter being reduced at least 1 year for each subsequent year of the plan's operation until the required period of service does not exceed 10 years; or (2) vest in the sixth year of the plan's operation after a period of service not exceeding 10 years, 50 percent of the entire accrued portion of the regular retirement benefits, the percentage vested thereafter increasing in each of the succeeding years of the plan's operation by at least 10 percent until the entire accrued portion of the regular retirement benefits is vested.

Period of service

SEC. 203(d). In computing the period of service under a plan, an employee's entire service with the employer contributing to or maintaining the plan shall be considered. However, service prior to age 25, service during which the employee declined to contribute to a plan requiring employee contribution, service with a predecessor of the employer contributing to or maintaining the plan (except where the plan has been continued in effect by the successor employer), and service broken by periods of suspension of employment (provided the rules governing such breaks in service are not unreasonable or arbitrary) may be disregarded.

Distribution of vested benefits

SEC. 204. Vested benefits must be distributed at regular retirement age. In no case shall that age be later than age 65.

SEC. 205. The effective date of this title would be 2 years after enactment.

TITLE III—FUNDING

Funding

SEC. 302. Every pension plan subject to title II must provide for contributions to the plan in amounts necessary to meet the normal costs of the plan plus interest on any unfunded past service costs. Vested liabilities are to be funded according to a prescribed schedule which will fund those costs in 25 years. Special transitional provisions are included for plans already in existence.

Plan amendments

Provisions are made to adjust a plan's funding schdule in the event of an amendment, however, if the amendment results in a 25 percent or greater increase in vested liabilities, the amendment may be regarded as a new plan and subject to the same funding requirements as new plans.

Reports of funding status

SEC. 303. A report must be filed each year with the Secretary of Labor indicating a fund's assets and vested liabilities.

Enforcement of funding standards

SEC. 304. When the contribution to a pension plan falls below the amount necessary to meet the plans' funding schedule, the Secretary of Labor may prevent the plan from increasing by amendment its vested liabilities until the funding schedule is met. When a pension plan fails to meet its schedule for 5 years, the Secretary may require by order, after notice and opportunity for hearing, that the fund suspend further accumulation of vested liabilities until the funding deficiency has been removed. At any time when a pension plan is in suspended status, the Secretary may require, after notice and opportunity for hearing, that the plan terminate and wind up its affairs in accordance with the provisions of title III and procedures established by the Pension Benefit Insurance Corp. if he determines such action necessary to protect the interest of participants.

SEC. 305. The effective date of this title would be 2 years after enactment.

TITLE IV—BENEFIT INSURANCE

Insurance coverage

SEC. 401. Every pension plan required to meet a funding schedule in accordance with title III would be required to obtain insurance covering unfunded vested liabilities in order to protect participants and beneficiaries against possible loss of vested benefits which might arise from an essentially involuntary termination of the plan. The amount to be insured would be the plan's vested liabilities less the greater of: (1) 90 percent of the assets needed to meet the funding schedule required under the act, or (2) 90 percent of the plan's actual assets.

The Pension Benefit Insurance Corp. (established in title IV) will be the insurer.

The Pension Benefit Insurance Corp. would not insure: (1) any unfunded vested liabilities created by a plan amendment which took effect within 3 years immediately preceding termination of a plan, or (2) any unfunded vested liabilities resulting from the participation in the plan by a participant owning 10 percent or more of the voting stock of the employer contributing to the plan or by any participant owning a 10 percent or more interest in a partnership contributing to the plan.

Premiums

SEC. 402. Each plan would pay a premium for insurance at rates prescribed by the Pension Benefit Insurance Corp., based upon the amount of unfunded vested liabilities which is to be insured and upon such other factors as the Corporation determines to be appropriate. The premium for the initial 3-year period will not exceed 0.6 percent of the amount insured (0.2 percent per year).

Claims procedure

SEC. 403. A claim must be filed with the Pension Benefit Insurance Corp. in the event a plan is terminated for reasons of financial difficulty or bankruptcy, plant closing, by order of the Secretary, or such other reasons as the Corporation may specify as reflecting as essentially involuntary plan termination. The Corporation is given authority to investigate and pay claims.

Uninsured plans

SEC. 405. It would be unlawful to operate a pension plan without insurance.

TITLE V—PENSION BENEFIT INSURANCE CORPORATION

SECS. 501–511. This title establishes the Pension Benefit Insurance Corp. and provides initial capital from the Treasury on a loan basis.

TITLE VI—MISCELLANEOUS

Variations

SEC. 601. The Secretary of Labor may on his own initiative, after having received the petition of an administrator, prescribe an alternative method for satisfying the requirements of title II or III. Variations may be granted as is necessary or appropriate to carry out the purposes of the act and provide adequate protection to the participants and beneficiaries in the plan whenever the Secretary finds that the application of title II or III would: (1) increase the costs of the parties to the plan to such an extent that here would result a substantial risk to the voluntary continuation of the plan or a substantial curtailment of employees' pension benefits levels, or (2) impose unreasonable administrative burdens with respect to the operation of the plan. Such variations are intended to be temporary only.

Denials of variations could be appealed to a Variations Appeals Board which would consist of the Secretary of Labor or his delegate, the Secretary of Commerce, or his delegate, and a person selected jointly by the Secretaries of Labor and Commerce.

Investigations

SEC. 602. The Secretary of Labor will be given authority to investigate violations of the provisions of titles II, III, and VI, or other rules or regulations issued thereunder.

Civil enforcement

SEC. 603. The Secretary may seek to enjoin violations of the provisions of titles II, III and VI, or any rule or regulation issued thereunder.

Studies

SEC. 605. The Secretary is authorized and directed to undertake research studies relating to pension plans, including methods of ecouraging future development of pension plans.

Penalties

SEC. 607. Any person who willfully violates any provision of titles II through VI or any rule, regulation, variation, or order issued thereunder, or forges, counterfeits, destroys, or falsifies records or statements necessary to the operation of this act will be subject to criminal penalties.

Rules and regulations

SEC. 608. The Secretary of Labor is given authority to prescribe the rules which he may find necessary or appropriate to carry out the provisions of title II, III, and IV. These rules and regulations may define accounting, technical, and trade terms used in such provisions; may prescribe the form and detail of all reports required to be made under such provisions; and may provide for the keeping of books and records as well as for the inspection of such books and records.

POLICE STATE PARANOIA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Louisiana (Mr. RARICK) is recognized for 15 minutes.

Mr. RARICK. Mr. Speaker, we have heard today about the growing threat of a police state—a KGB, or a gestapo in the United States. As one Member who has consistently voted against and opposed national police enlargement programs, such as additional FBI agents, the new FBI building, a police training academy, and the law enforcement assistance acts to dangle seed money before State and local police, I find it strange to hear expressions of concern for the threat of a national police state from those who have consistently voted for programs and funds which increase Federal police power and expand Federal control over local police forces. It seems that some fail to understand that agitation and mob demands for change and progress, such as encouraging street demonstrations and hampering investigations of subversives, are the very tools which set the stage to justify the creation of the very police state some profess to fear.

Certainly, law-abiding citizens—those who do not take to the streets nor attempt by force to encroach upon other people's freedom—do not supply the excuse for a threat to internal security, national defense, or growing crime. It is not the law-abiding citizen that can be used to justify the need for a national police buildup. It takes a threat to justify a threat.

And to some who express concern over a centralized national police force, I am aghast at their naivete in thinking they can remove the threat against individual liberty by laying the blame at the feet of a man such as J. Edgar Hoover, who more than any other lawman in the history of our country has consistently opposed a national police force.

To those who see Mr. Hoover's resignation as a solution, I but ask if Mr. J. Edgar Hoover steps down, what assurance do they have that the problems complained of may not worsen so that a new FBI Director might be compelled to use the national police powers Congress has amassed thus creating the complained-of police state?

Would Mr. Hoover's departure end the complained-of threat or be but the beginning of a true national police state? The answer rests not with Mr. Hoover—nor the law-abiding citizen—but with other forces at work in our Nation.

The pressure from the bottom is now escalated from the top.

FLOODING OF IMPORTS FORCES CLOSING OF SHOE PLANTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. BURKE) is recognized for 15 minutes.

Mr. BURKE of Massachusetts. Mr. Speaker, I have learned of today's announcement by the President of the Stacey Adams Shoe Co., Brockton, with great regret. Not that it was exactly an unexpected development that this shoe company must close. In fact, there have been rumors for a while, and that is just it. It is so frustrating to have to watch one fine shoe factory after another close down and feel completely powerless to do anything about it. If it is evidence that Congress needs before it is going to act and act decisively for the shoe industry; if it is further evidence that the President of the United States needs before he acts and acts decisively under existing legislation for the shoe industry, then they have it today. How many more plants are going to have to close before we are going to get some action? I have been crying out for action ever since I came to Congress, but I am only one Member out of 535 and at times I feel like a voice crying in the wilderness. The fact is that the real reason behind this closing is the continued unchecked flooding of imports into this country. This closing is symptomatic of a sick industry. Sick industries are always characterized by mergers, consolidations, and finally closings of one plant or another. And the one who loses in the end is not the shareholders, but the workers.

It is all well and good for the free trade lobby, the arm of big business in this country, to continue to justify an open door, free trade policy because all big business has to do is close down American plants and transfer operations to new plants overseas and still stay in business. The shareholders still get their dividends. But what about the workers that have been left behind? They cannot pack up and follow their jobs overseas. The very reason these firms are locating overseas is to go after cheap labor. The free trade lobby gets nervous every time someone pushes for long overdue relief for American workers employed in manufacturing in this country. They do not want anything to happen that might ruin their "best of two worlds" situation—an American market with access to foreign countries' labor supply for investment opportunities. I think that it is time that the workers in this country were given a modicum of protection by their elected officials. They are asking to bear too big a sacrifice to protect the right of a few multinational corporations to invest and reap handsome dividends wherever in the world they choose.

There is need for action without further delay on trade legislation by this Congress—not tomorrow, but today.

In this connection I insert a copy of a resolution I have received from the general court of the Commonwealth of Massachusetts on the need for such legislation:

THE COMMONWEALTH OF MASSACHUSETTS

Resolutions memoralizing the President of the United States and the Congress to control the importation of men's wearing apparel and textile goods and shoes from foreign countries employing cheap labor

Whereas, The importation of unlimited quantities of men's wearing apparel and textile goods and shoes from countries employing cheap labor constitutes a serious economic threat to the apparel and textile and shoe industry of the Commonwealth, industries vital to the state's economy; and

Whereas, A sensible and equitable policy should be adopted and strictly adhered to by the federal government in order to protect and promote the standard of living of thousands of American wage earners whose livelihood is directly or indirectly affected by governmental directives regarding unrestricted quantities of imported apparel and textile goods and materials and shoes; now, therefore, be it

Resolved, That the Massachusetts Senate respectfully urges the President of the United States and the Congress to take any action that may be necessary to protect the men's apparel and textile industry and shoe industry of the Commonwealth by invoking reasonable and equitable controls on the importation of men's apparel and textiles and shoes from countries employing cheap labor; and be it further

Resolved, That a copy of these resolutions be transmitted forthwith by the Clerk of the Senate to the President of the United States, to the presiding officer of each branch of Congress and to the members thereof from the Commonwealth.

Senate, adopted, April 14, 1971.

GAO DRAFT OF THE DEFENSE INDUSTRY PROFIT STUDY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. ASPIN) is recognized for 20 minutes.

Mr. ASPIN. Mr. Speaker, on March 11 of this year, the Government Accounting Office—GAO—released its Defense Industry Profit Study which had been requested by Senator WILLIAM PROXMIRE in 1969. Although this final study was a good one, it differed in significant ways from the GAO's draft of December 22, 1970.

I would like to mention the fine testimony of Representative BOB ECKHARDT made before the Legislation and Military Operations Subcommittee of the House Committee on Government Operations on March 26 of this year. Representative ECKHARDT's testimony provides an excellent in-depth analysis of the discrepancies between the draft and the final report issued by GAO.

As he points out, data which indicated the average pretax rate of return to be 56.1 percent was emphasized prominently in the draft report, but was relegated to decidedly lesser prominence in the final report. Moreover, another set of statistics based on a questionnaire sent to 74 primary defense contractors indicating pretax profits of 21.1 percent was given more prominence in the final report than in the draft.

The GAO considered the 56.1 percent figure, which was based on a study of 146 completed defense contracts to be "not representative." But, the GAO left unanswered the questions of what does constitute a truly representative sample and exactly why this sample was considered unrepresentative.

This difference in emphasis was perhaps the most prominent discrepancy between the original and final reports. But other differences have been noted.

The GAO requested and received comments on the draft from the Pentagon and various defense contractors as well as certain "think-tanks." After receiving these comments, the GAO made various changes including: softening several paragraphs particularly critical of Defense Department practices; changing the order and emphasis of certain chapters; and eliminating a chart of comparative statistics on defense profits.

Although in many respects the study is still a good one, it is highly likely, after studying the available evidence, that at least some of the alterations and changes in emphasis were not justified on the merits

Mr. Speaker, the size and scope of the defense industry presents a built-in disadvantage for any attempt to study it. We in the Congress must rely heavily on the GAO as our watchdog agency. Its reports are essential to our knowledge of the defense industry and many other Government operations. For this reason, I am disturbed more about the implications these changes have for the long-range integrity and effectiveness of GAO than in the substantive changes made in this particular report. Even though the GAO has monitored defense spending well in the past, Congress is still at an enormous disadvantage in scrutinizing defense spending. Any ambiguities such as those I have cited make Congress task even more difficult. If the GAO appears to reflect a pro-Pentagon bias in any way, Congress task becomes next to impossible. The GAO—like Caesar's wife, must be above suspicion. On this particular study, it has failed to do that.

I would like to emphasize the fact that this statement is not intended as an indictment of the GAO. In fact, I would like to note the enlightened and energetic direction given to GAO by Comptroller General Elmer Staats. But, I do believe one procedure of the Office must be called into question. This practice consists of allowing involved Government agencies and private industries to comment on the first draft of its studies. While in many cases, their comments may be valuable and pertinent, in others they may help undermine the impartiality of GAO reports. We all recognize the need for GAO to maintain good relations with the agencies it studies, but not at the expense of informing Congress in the most direct and objective way possible how Federal money is being spent. GAO must not forget that its function is to provide Congress with the facts about Government spending—even when those facts are harsh, disturbing, and controversial The GAO has a responsibility to see that, in its attempt to be scrupulously fair to the agency being studied, it does not deprive Congress of the ungarnished facts.

I am today inserting into the RECORD the original draft of the Defense Industry Profit Study. I invite my colleagues to compare it with the final report issued by the GAO. The complete text of the draft report follows:

DRAFT OF REPORT TO THE CONGRESS OF THE UNITED STATES, DEFENSE INDUSTRY PROFIT STUDY (CODE 89900)

U.S. GENERAL ACCOUNTING OFFICE,
Washington, D.C.

The Honorable the SECRETARY OF DEFENSE.
Attention: Assistant Secretary of Defense, (Comptroller).

DEAR MR. SECRETARY: Enclosed for your review and comment are twelve copies of a draft of a major segment of our profit study report. The draft gives background information on our approach to the study and the procedures we followed. It also covers basically what we plan to say on the very significant point concerning our belief in the need for consideration of invested capital in negotiating Government contracts where (1) there is no effective price competition, and (2) invested capital is a significant factor.

As we complete our reviews of contractor questionnaires we will be adding various additional charts and schedules to chapter 4 of the report in presenting the data on annual profit rates. The data should be considered illustrative only and will not be the data contained in our final report after we complete our reviews and process the remaining questionnaires. We believe, however, that it would be very helpful to have any suggestions, comments, or criticism you might have on the report as it is developed to date. This will assist us materially in meeting our deadline for a report to the Congress by March 31, 1971.

It is unlikely that there will be time available to obtain your comments on the final version of this report prior to its transmittal to the Congress. However, we will be glad to discuss the final report prior to its issuance, if you desire.

Your attention is directed to the limitations on the use of this draft report as indicated on the cover.

We would appreciate receiving your comments on this draft report by January 25, 1971. We will be glad to discuss matters in the draft report with you or your representatives. If you wish to discuss this draft, please contact Mr. John V. Flynn, Deputy Associate Director, telephone number 386–4325.

This report is also being sent to the Acting Administrator, National Aeronautics and Space Administration; Comptroller, Atomic Energy Commission; the Secretary of Transportation and various industry associations for review and comment.

Sincerely yours,

C. M. BAILEY,
Director.

CHAPTER 1—INTRODUCTION

During the hearings in November 1968 and in January 1969 the Subcommittee on Economy in Government of the Joint Economic Committee developed in considerable detail the need for a comprehensive study of the profits realized by defense contractors and recommended that GAO conduct such a study under its existing authority. To make the study, we felt that additional authority was needed giving GAO the right to: (1) examine any records relating to a defense contract; (2) require defense contractors to furnish data considered necessary by GAO; (3) issue subpoenas with authority of a United States District Court to require compliance; and (4) examine records of (a) formally advertised contracts, (b) second and lower tier subcontracts, and (c) the commercial business of defense contractors.

The Armed Forces Appropriation Authorization Act for fiscal year 1970, Public Law 91–121, approved on November 19, 1969, authorized GAO to study profits earned on selected contracts and subcontracts entered into by the *Department of Defense (DOD)*, *National Aeronautics and Space Administration* (NASA) and *Coast Guard*. Contracts of the *Atomic Energy Commission* (AEC) awarded to meet requirements of the Department of Defense were also included. The study authorized was limited to *negotiated contracts*, and subpoena power was retained by the Senate and House Committee on Armed Services.

In making the study we took two approaches. First, we developed cost, profit, and invested capital data for 146 individual contracts at 37 contractor locations. Second, to obtain information on annual overall profits on defense contracts, we circulated a questionnaire to the larger defense contractors and subcontractors and to a relatively small sample of other defense contractors and subcontractors. The profit data developed in each of these phases are without reduction from renegotiation. Unless otherwise stated, the profit rates shown for defense business are after deduction of all costs allocable to defense business, including costs unallowable under Section 15 (contract cost principles and procedures) of the Armed Service Procurement Regulation. By deducting all applicable costs, the *profit rates on defense and commercial work are placed on a comparable basis.*

Development of profit data on specific contracts

We reviewed 146 negotiated contracts at 37 contractor locations. The contracts totaled $4.3 billion in expenditures for such items as aircraft, missiles, space equipment, ship repairs, weapons, ammunition, electronics, and communications equipment. Contract types involved were those commonly used such as *cost plus fixed fee, cost plus incentive fee, fixed price incentive* and *firm fixed price.* Our selection was limited to recently completed contracts and was made without prior knowledge concerning their profitability.

We computed profit as a percentage of sales and of costs for each contract. We also computed profit as a percentage of the contractor's capital employed in contract performance. We excluded consideration of Government resources as we were interested in the rate of return on contractor resources employed. Our computation of total capital employed included provision for the following asset elements.

(1) *Cost of work in process, finished goods and accounts receivable.* On a monthly basis we totaled costs incurred under the contract, deducting progress payments and cost or other reimbursements received from the Government. From these data we computed the average amount the contractor had invested in work in process, finished goods, and accounts receivable.

(2) *Investment in fixed assets.* In developing the contractor's average investment in fixed assets for the contract, we determined (1) depreciation charged to the contract, and (2) the ratio between depreciation charged to the contract and total depreciation charges during the contract period. Using this ratio we computed the approximate fixed asset investment. Allocation was based on the contractor's net book value of assets involved.

(3) *Other assets.* We used several methods to allocate assets such as cash, raw materials inventories, and prepaid expenses. For example, in some cases investment in raw materials inventories was allocated on the basis of the ratio of the value of material issued to the contract to total material issued during the period involved. Prepaid expenses were generally allocated in the same proportion as other more directly allocable items.

In computing rate of return on total capital investment, we added back interest expense since we included related liabilities as an element of total capital, and interest represents the return to the providers of debt capital.

After determining average contract total investment and computing the rate of annual profit, we computed the approximate contract equity investment. This was done based on the overall relationship of the contractor's equity to the total amount of his liabilities and capital. The rate of return on equity capital was based on net contract income after deduction of all contractor expenses allocable to the contract, including interest expense.

Development of annual profit rates for period 1966 through 1969

We developed a questionnaire to obtain information from selected contractors for the years 1966 through 1969 on sales, profits, total capital investment, and contractor equity investment for defense business, comparable commercial sales, and other categories of sales. We also requested a breakdown of defense sales and profits by type of contract. While the legislation only called for a study of negotiated defense contracts, we asked and received information on all work of the contractors involved in order to reconcile cost allocations to the various categories of sales and to make significant comparisons of contractors' rates of profit on total defense business and on commercial work.

We sent questionnaires to 154 contractors who received (1) more than 60 percent of recent Department of Defense prime contract awards of over $10,000, (2) about 80 percent of similar NASA awards, and (3) a significant portion of Atomic Energy Commission and Coast Guard contract awards. The 154 contractors included:

81 selected from a listing of the 100 contractors receiving the largest dollar volume of military prime contractors of $10,000 or more in fiscal year 1969;

73 selected by taking (1) every 72nd contractor from a random listing of military prime contractors receiving awards of $10,000 and aggregating $500,000 or more in fiscal year 1968, exclusive of the 81 top contractors already selected and their subsidiary companies, and (2) a small number of contractors receiving Atomic Energy Commission awards or receiving a major portion of their defense business in the form of subcontract awards.

A random selection of 40 questionnaires was made for detailed site verification. Each of the groups mentioned above was represented in the 40 contracts selected. In addition, each remaining questionnaire was carefully reviewed and verified through calls, letters, and follow-up visits to the contractors' offices.

We checked to see that on an overall basis the data provided agreed with similar data on the contractors' audited financial statements and appeared reasonably accurate. While we believe the breakdown of profit data by sales category is reasonably accurate, there are several factors which made it impossible to certify to its absolute correctness.

Contractors' records not set up to disclose profit data by customer

Contractors' records are generally designed to provide only overall results of operations. Since the data we needed on defense sales was not produced in the normal course of business, it was developed on an after the fact basis from the available records. Accumulating the data involved numerous individual judgments as to the degree of accuracy necessary in relation to the costs involved. For example, some contractors had little information available to show whether subcontract sales of commercial type items related to defense prime contracts. This problem was resolved in some cases on the basis of a detailed review of a representative sales sample, and projection of the results to the total population involved.

Similarly, allocations were necessary to determine capital investment for the sales categories in which we were interested. We explained to contractors what we wanted and

requested that allocations be representative of the extent to which company-owned assets were used in generating the sales. We were particularly interested in assuring that allocations to defense sales reflected adequate consideration of (1) Government cost reimbursements and progress payments, and (2) Government-furnished facilities and equipment. The importance of the latter is indicated by the fact that as of June 30, 1969, Government land, buildings, and equipment costing about $7 billion were in the hands of contractors.

While we obtained some capital allocations based on specific identification of assets with sales categories, this was not possible in all cases. In the latter instances the less desirable cost of sales basis was usually employed.

Complexity of some of participating companies

Many of the business enterprises; covered in our study were complex organizations and included numerous diversified subsidiary corporations which in turn were made up of a number of diversified operating segments. We requested that questionnaire data be provided on a consolidated basis, including information on all majority-owned domestic subsidiaries, in order to obtain as much information as it was practical to get on total defense profits of the selected companies. While in some cases divisions or other operational segments were almost entirely engaged in defense work and thus had data readily available for defense sales, this was probably the exception. In most cases it was necessary for the participating companies to do substantial work to break out information on defense and the other categories of sales that we requested and to allocate related costs and invested capital.

Numerous accounting alternatives available

Numerous alternatives are available in determining costs and profits under generally accepted accounting principles. In this regard, in considering the results of operations over a long period of time, the alternatives adopted may be unimportant as long as they are followed consistently. However, in looking at the relatively short four year time covered in our study, the alternatives followed could make a significant difference in profit rates. Two of the major items affected are research and development costs, and depreciation expense.

A good description of the differences that can result from using some of the various bases available for allocating costs is contained in an article in the June 1968 issue of the Financial Executive. The article, "Common Cost Allocation in Diversified Companies," was written by Robert K. Mautz and K. Fred Skousen. While the article deals with certain common costs not affecting inventory values such as general and administrative expenses, a similar situation exists with respect to common manufacturing overhead and other costs which are included in inventory valuations. The participating companies, thus, had considerable latitude in determining and allocating costs to the various categories of sale. In our review work, however, we attempted to see that the methods utilized were reasonable in the circumstances.

Financial terms defined

(1) *Total Sales*—Net sales to all customers exclusive of the cost of operation of DOD and other defense agencies' Government-owned contractor operated (GOCO) plants, and performance of operation and maintenance contracts and service contracts.

(2) *DOD Sales*—Net sales to DOD under both prime and subcontracts exclusive of sales, profits or fees for operation of DOD GOCO plants, and performance of operation and maintenance contracts and service contracts.

(3) *Other Defense Agency Sales*—Net sales to NASA, AEC and the Coast Guard under both prime and subcontracts exclusive of sales, profits or fees for operation of GOCO plants, performance of operation and maintenance contracts and service contracts for these agencies.

(4) *Commercial Sales*—Net sales of defense industry companies to commercial customers, domestic, state and local governments and foreign governments, of products or services that are reasonably comparable to those sold to the defense agencies or involve comparable manufacturing operations.

(5) *Equity Capital Investment (ECI)*—The total dollars assigned to capital shares, retained earnings, retained earning reserves, minority interests and other equity type items such as deferred investment tax credits. A basic premise was established for this study that generally ECI allocated to any sales category should be in the same proportion as the total equity capital was to the total capital utilized in the business. Total capital allocated to each sales category is assumed to be composed of equity and debt capital in proportion to that contained in the business as a whole.

(6) *Turnover of Equity Capital Investment (ECI)*—Sales divided by Equity Capital Investment equals turnover of ECI.

(7) *DOD ECI, Other Defense Agency ECI and Commercial ECI*—The portions of total ECI which are allocable to Sales to the Department of Defense, Other Defense Agencies and commercial customers respectively.

(8) *Total Capital Investment (TCI)*—Equity Capital Investment *plus all liabilities.* In other words, the total investment in assets utilized in the production and sale of company products.

(9) *Turnover of Total Capital Investment (TCI)*—Sales divided by total capital investment equals turnover of TCI.

(10) *DOD TCI, Other Defense Agency TCI, and Commercial TCI*—The portion of total TCI which is allocable to sales to the Department of Defense, Other Defense Agencies and commercial customers respectively.

(11) *Total Profit before Federal income taxes*—The net income or loss after deduction of all state and local taxes but before provision for U.S. Federal incomes taxes or reduction of profits as a result of renegotiation.

(12) *DOD and Other Defense Agency Profits before Federal Income Taxes*—The net income or loss on prime contracts and subcontracts of the DOD and Other Defense agencies respectively, after deduction of all allocable costs, whether or not allowable or recoverable.

(13) *Commercial Profits before Federal Income Taxes*—The net income or loss from sales to commercial customers, as well as state, local and foreign governments, of products or services that are reasonably comparable to those sold to the defense agencies, or involve comparable production processes.

CHAPTER 2—NEED TO CONSIDER CONTRACTOR'S CAPITAL REQUIREMENTS IN NEGOTIATING PROFIT FACTORS

In our review of 146 negotiated Government contracts, we found that contractors' rates of return on capital employed in contract performance varied greatly. The range extended from a loss of 78 percent to a gain of 240 percent of contractor total capital investment. This wide range is due to the fact that under present policies Government procurement personnel give little consideration to contractors' capital requirement in developing profit rate objectives for negotiated contracts. Profit objectives are usually developed as percentages of various cost elements. In general, the higher the costs, the higher the profits. Thus, paradoxically, contractors are discouraged from investing in new, more efficient facilities because an investment in facilities that would lower unit costs would also result in lower profits.

Rates of profit on 146 contracts

Overall rates of return, before Federal income taxes, and other data on the 146 contracts: Total value of contracts, $4,256 million; profit as a percent of costs, 6.9%; annualized rate of return on total capital employed, 28.3%; annualized rate of return on equity capital employed, 56.1%. (Percentage weighed by costs, total capital investment, or equity capital investment, as appropriate, for the contracts involved.)

The great range in return on total capital investment for the 146 contracts is pointed up in the following schedule:

Profit category	Number of contracts	Percent of total: Contracts	Percent of total: Sales dollars
Loss contracts—78 to 0 percent	17	12	8.
Return of—			
0 to 20 percent	46	32	17.
20.1 to 40 percent	43	29	23.
40.1 to 60 percent	19	13	16.
60.1 to 100 percent	13	9	29.
100.1 to 240 percent	8	5	5.
Total	146	100	100.

Effect of government progress payments on return on investment

Government progress payments significantly increase rates of return on contractors' capital investments.

Under defense type contracts there are usually provisions for reimbursing contractors periodically in whole or in part as costs are incurred. This reduces the working capital required for contract performance. Cost type contracts generally provide for reimbursement of costs on a monthly, or more frequent basis. Other types of defense contracts, involving predelivery or unbillable partial performance expenditures that will have material impact on the contractor's working capital, provide for periodic progress payments of 85 percent of total costs incurred for small business concerns and 80 percent for larger companies.

For 12 contracts involving 8 different contractors, we computed the rates of return on total capital investment with progress payments and without progress payments. In all cases the rates of return were higher when progress payments were received. The overall average increase, weighted for the total capital investment required for each contract, is shown below.

[In percent]

Annual Rate of Return on total capital investment with progress payments	45.
Annual Rate of Return on total capital investment without progress payments	25.
Increase in rate of return due to progress payments	20.

The increase in rate of return because of the progress payments is 80 percent. (20.2 ÷ 25.1)

In one case we noted that a contractor was selling the same item under a Government prime contract and under a subcontract. The Government, however, provided progress payments under the prime contract while the contractor did not receive progress payments from the prime contractor under the subcontract. Also, the Government paid for deliveries within an average of 29 days while the contractor did not receive payments for deliveries under the subcontract until an average of 131 days after delivery.

The effect of progress payments and the time difference in payment for deliveries is shown.

[In percent]

	Prime contract	Subcontract	Difference
Profit rate on costs	10.9	14.2	(3.3)
Annual return on total capital investment	29.7	16.6	13.1
Annual return on equity capital investment	49.4	27.5	21.9

Return on total capital investment on the prime contract was substantially more than on the subcontract because of progress payments and more timely payments after delivery of the items ordered, even though profit as a percent of cost was 3.3 percent higher under the subcontract.

Government-furnished facilities, of course, have a similar effect in reducing the capital investment required of contractors.

Guidelines for development of negotiated contract profit objectives

Guidelines used by Department of Defense procurement officials in developing profit objectives are set forth in Section 3-808 of the Armed Services Procurement Regulation (ASPR). In the absence of price competition and where analysis of the contractor's proposed costs is required, a procedure known as the weighted guidelines method is used. Using this method, procurement officials prepare a systematic analysis of profit objectives before they begin negotiations. The factors and weights considered in developing the profit objective are as follows:

Factors	Profit range [1] (percent)
Contractor's input to total performance composite rate on cost input (profit computed below divided by total estimated cost shown below:	
Direct materials:	
Purchased parts	1 to 4.
Subcontracted items	1 to 5.
Other materials	1 to 4.
Engineering labor	9 to 15.
Engineering overhead	6 to 9.
Manufacturing labor	5 to 9.
Manufacturing overhead	4 to 7.
General and administrative expense	6 to 8
Add: Specific percentages assigned below:	
Contractor's assumption of contract cost risk:	
0 to +7-percent profit [2]):	
By type of contract:	
Cost-plus-fixed-fee	0 to 1.
Cost-plus-incentive-fee (cost incentive)	1 to 2.
Cost-plus-incentive-fee (cost-performance-delivery).	1½ to 3.
Fixed price incentive (cost incentive)	2 to 4.
Fixed price incentive (cost-performance-delivery).	3 to 5.
Prospective price redetermination	4 to 5.
Firm fixed price	5 to 7.
Reasonableness of cost estimates	(1).
Difficulty of task	(1).
Record of contractor's performance (−2 to +2 percent profit [2]):	
Considerations:	
(a) Management	(1).
(b) Cost efficiency	(1).
(c) Reliability of cost estimates	(1).
(d) Cost reduction program accomplishments.	(1).
(e) Value engineering accomplishments.	(1).
(f) Timely deliveries	(1).
(g) Quality of product	(1).
(h) Inventive and development contributions	(1).
(i) Small business and labor surplus area participation.	(1).
Selected factors (−2 to +2 percent profit [2]):	
Source of resources	−2 to 0.
Special achievement	0 to +2.
Other	NS. [1]
Special profit consideration (+1, to +4 percent [2]):	
Total profit rate	
Profit objective (Total profit rate × total recognized costs).	

[1] No specific weight range designated.
[2] Profit range times estimated cost equals profit.

As shown above, there is no provision to consider the amount of contractor capital investment required during contract performance. Further, only minor consideration is given to the use of Government-owned facilities under the source of resources factor. This could amount to a penalty of as much as minus 2 percent for a contractor with Government facilities. However, we have found that the penalty assessed usually has not exceeded 1 percent, even in some cases where all facilities involved were Government owned. In the case of a contractor having no Government facilities, there is no provision for increasing his profit percentage as a result of his adding new, privately-owned facilities. In fact, since new, improved facilities should result in reduced costs, his profits on negotiated follow-on contracts would probably be reduced if such facilities were added.

The Armed Services Procurement Regulation provides that normal progress payments shall not be weighted in developing profit objectives.

The other agencies included in our profit study follow profit negotiation policies similar to those of the Department of Defense. In fact, the Atomic Energy Commission and the Coast Guard use the Department of Defense weighted guidelines to negotiate some contracts. While NASA has not adopted the weighted guidelines method, NASA's procurement regulation calls for consideration of essentially the same profit factors covered in the guidelines.

Studies concerning consideration of contractor invested capital requirements in performing government contracts

Several studies have been made which concluded that some consideration should be given to contractor invested capital requirements when negotiating the profit factor of noncompetitive Government contracts.

These studies are summarized below.

Weighted guideline changes and other proposals for incentives for contractor acquisition of facilities

This study was completed by the Logistics Management Institute in September 1967, at the request of the Assistant Secretary of Defense (Installations and Logistics). The objective was to develop and propose ways of improving the incentives for contractors to acquire and maintain efficient facilities of adequate capacity. Some significant quotes from the study are as follows:

"Facility investments, soundly made, generally reduce total contract costs. Under the present ASPR, however, facilities investment tends to lower rather than increase profit dollars on negotiated contracts. Lower profits result from lower estimated costs for labor, materials, and overhead. *This is the most significant deficiency in the incentives for defense contractors to acquire facilities.*"

"The acquisition of facilities that increase efficiency may affect the ability to obtain a contract. Under the present rules, however, if a contractor can get the business without additional facilities investment, he can expect more dollars, and a higher percentage of profit on invested capital by refraining from investment as much as possible and allowing or causing expected costs to be as high as will be acceptable."

"Other things being equal, a modern efficient plant can be expected to have lower labor and material costs than one with less up-to-date facilities. Therefore, the present Guidelines applied on individual contract negotiation tend to establish a lower dollar profit objective for an efficient plant with a large investment in facilities than it would for a less efficient plant producing the same output."

"Most of the contractors stated frankly that they invest as little capital as possible in facilities for production on negotiated contracts in order to avoid reducing their return on invested capital. Since more than half of the defense procurement dollars are spent on contracts negotiated on the basis of cost analysis, it would appear that a change in profit policy giving greater consideration to invested capital would be equitable for defense industry and beneficial to the Department of Defense."

One of several recommendations made in the report was as follows:

"Percentages of profit on net book value of plant and operating capital (equity plus debt less facilities and outside investments) should be included in the Weighted Guidelines for determining profit objectives. The present percentages on labor, material and overhead costs and the percentages to be applied to the capital elements should be adjusted as necessary to accomplish overall DOD profit objective policies.

Armed Services Procurement Regulation Special Subcommittee Report

A special subcommittee was established in December 1967 by the ASPR Committee to consider the LMI recommendation. The ASPR Committee is part of the Office of the Assistant Secretary of Defense (Installations and Logistics) and is responsible for developing any needed amendments of ASPR. The Special Subcommittee was given the specific task to (1) develop and test procedures for giving greater weight in prenegotiation profit objectives to capital employed, (2) evaluate the results of the test, and (3) if appropriate, recommend any needed changes to ASPR.

The Subcommittee issued a report dated March 15, 1968, presenting a test plan and procedures for developing information on contractor capital employed in contract performance. After further study, in October 1968, the proposal was presented to a panel of the Defense Industry Advisory Council which was chartered to explore ways and means to foster and maintain a healthy defense industrial base. (The Defense Industry Advisory Council was established in 1962 to provide a means for direct and regular contact between the Secretary of Defense and his management assistants and knowledgeable industry representatives.)

Subsequently, in June 1969, the Defense Industry Advisory Council recommended to the Secretary of Defense that in addition to costs, DOD profit policy should recognize and provide for adequate return on company capital employed. Since then, however, progress has been slow. However, a new ASPR Subcommittee has been established and in October 1970 the subcommittee distributed for comment draft forms for gathering preliminary data on contractor capital employed.

In regard to progress in the Department of Defense in this area, Dr. Robert N. Anthony, a former Department of Defense Comptroller, appearing before the Subcommittee on Economy in Government of the Joint Economic Committee on May 21, 1970, stated:

"Fees are based on capital employed in public utilities and in public rate negotiations generally. Defense procurement is one of the few important areas where cost-based pricing still prevails. In Great Britain, Defense contract pricing recently was shifted to a return-on-capital basis. The possibility has been discussed in the Department of Defense at least since 1962. It is time to act."

NASA report on an investment oriented profit analysis technique

NASA has developed a contract negotiation procedure that includes consideration of contractor investment required during contract performance. The procedure was developed in 1968 by George Washington University and presented to NASA procurement personnel during a three day course in profit and fee analysis. NASA then decided to conduct a test of the new procedure and each NASA procurement office was requested to furnish data on new procurements over $100,000, outlining the profit negotiated. In addition, the negotiators were asked to furnish an estimated profit objec-

tive using the return on investment analysis technique. The latter was not to be used in actual contract negotiations, however.

NASA awarded a contract to George Washington University to monitor the test and evaluate data. On June 29, 1970, we received a copy of an interim report on that test which concluded that (1) it was feasible to develop the requisite investment data from contractors, and (2) NASA personnel were able to employ the new technique under operational conditions for research and development and hardware contracts. NASA cautioned, though, that the wisdom and practicality of using a return on investment approach as a means of determining profit compensation was still being explored, and NASA was not prepared, at the time, to endorse any particular return on investment technique.

The NASA and DOD proposed procedures for developing invested capital data differ to some extent. For example, in computing operating capital employed DOD uses accounting data from the most recent fiscal year in computing the estimated operating capital required for a new contract. In contrast, NASA uses a monthly forecast of the estimated costs to be incurred, less progress payments, during performance of the new contract.

In negotiating profit on noncompetitive Government contracts British consider capital employed

In the United Kingdom, capital employed has been considered for some time in negotiating profit rates for non-competitive Government contracts. The British objective is to provide a rate of return on non-competitive Government work that approximates the overall average return earned by British industry in the years 1960 to 1966. At the present time an average annual rate of 11 percent on capital employed, plus 3 percent on costs, is applicable on non-competitive risk Government contracts, with 8 percent on capital employed, plus 3 percent on costs for nonrisk Government contracts. The extent of risk is determined by the nature of the work involved, the degree of difficulty in estimating costs, and the point in time at which the price is fixed. It is also important to note that these rates are computed before the United Kingdom Corporation tax is deducted (currently 45 percent).

The British system also provides that contracts involving an excessive profit or loss may be referred to a review board. The findings of the board are binding to both parties. The board will consider contracts referred to it by either the Government or a contractor, where the profit made is 27½ percent or more of capital employed, or the loss on capital employed is 15 percent or more.

Conclusions

We believe that in determining profit objectives for negotiated Government contracts where (1) effective price competition is lacking, and (2) the amount of contractor capital required is a significant factor, consideration should be given to the capital requirements. Where contractor capital requirements are insignificant, such as in many service type contracts or contracts to operate Government-owned plants, profit objectives would, of course, continue to be developed primarily through consideration of other factors.

Under present policies the profits being negotiated for contracts where there is no effective price competition are based upon a percentage of the estimated costs involved. As a result, contractors have no incentive to invest in more modern equipment to increase efficiency and reduce costs. Such investments tend to lower rather than increase profits in the long run. Thus, contractors have a strong incentive to minimize their investments. Of course, other factors, such as whether or not the program will be continued, could be an overriding consideration in bringing about contractor investments to reduce costs.

Present policies also give no consideration to the effect of customary progress payments or cost reimbursements in reducing contractor operating capital requirements for contract performance.

We believe that it is essential to change the present system in order to motivate contractors to reduce costs under Government non-competitive negotiated contracts. Where the acquisition of new, more efficient facilities by contractors will result in savings to the Government in the form of lower contract costs, we believe that contractors should be encouraged to make such investments. We also believe that proper consideration of contractor provided capital can cause a greater reliance on private capital to support defense production. To accomplish this, it is essential that capital investment be considered in negotiating profit rates.

In our opinion, a system providing for consideration of capital requirements in negotiating profit rates would be fairer to both contractors and the Government, than the present system.

We believe also that the system adopted should be used where applicable by all Government agencies to simplify industry participation.

Recommendation

We recommend that the Director, Office of Management and Budget, take the lead in interagency development of uniform Government-wide guidelines for determining profit objectives for negotiating Government contracts where (1) effective price competition is lacking, and (2) the amount of contractor capital required is substantial. These guidelines should stress return on capital in determining profits.

CHAPTER 3—UNALLOWABLE AND NONRECOVERABLE COSTS

During our reviews of selected defense contracts we developed some information about the significance of costs that are not allowable under Section XV of the Armed Services Procurement Regulation. For 42 cost type contracts with contract prices totaling $833 million, the unallowable costs amounted to 1.4 percent of sales. This percentage is within the range of percentages reported in profit studies of the Logistics Management Institute for the years 1958 through 1968. The Logistics Management Institute percentages ranged from 1.4 percent to 1.8 percent of sales.

Section XV of the Armed Services Procurement Regulation contains general cost principles for the determination of costs in the negotiation and administration of cost reimbursement-type contracts. As of July 1, 1970, use of Section XV became mandatory for fixed price contracts and contract modifications whenever cost analysis is performed, and for the determination or negotiation of costs whenever such action is required by a fixed price contract clause.

The most significant unallowable costs we noted were *interest, research and development* (in excess of amounts agreed to for reimbursement by the Government), *advertising, contributions, and entertainment.*

CHAPTER 4—ANNUAL PROFIT RATES OF DEFENSE CONTRACTORS

The questionnaire date on annual profits of defense contractors disclosed that the ratio of profit to sales is much higher for their commercial sales than for their defense sales. However, when profit is considered as a percentage of return on contractor invested capital, the rates for commercial and defense work are much closer together. This is due to the effect of Government-furnished capital in the form of progress payments, cost reimbursements and industrial facilities and equipment. Further details on this and on other points are set out in the schedules and analyses thereof which follow.

Schedule 1—Summary of data for large DOD contratcor (before Federal income taxes)

In Schedule 1, we present a summary of profit data developed from our sample of the 100 largest DOD contractors. The profit rates for the other Defense Agencies (NASA, AEC, and Coast Guard) in most instances are slightly higher but are comparable to the DOD data. Therefore, we will generally limit our discussion to the DOD data and the comparable commercial data.

The dollar volume of commercial sales comparable to defense sales (line 3), is from 2 to 3 times greater than the DOD sales volume (line 1). Also, ratios obtained by dividing profits by sales, (lines 4 through 6) are considerably higher for commercial sales. However, profits measured as a percentage of total capital investment (lines 7 through 9) and as a percentage of equity capital investment (lines 10 through 12) compare much more closely for defense and commercial sales. As stated above, this is due to the effect of Government-furnished capital. The relatively smaller amount of capital required of the contractor for defense work also shows up in the higher capital turnover rates for these sales compared with commercial sales (see lines 13 through 18).

Schedules 2 and 3—Stratification of return on TCI (before Federal income taxes) for DOD and commercial sales, respectively, of large DOD contractors

The range in profit rates was fairly wide for both DOD and comparable commercial sales of the larger defense contractors. A larger percentage of DOD sales was in the loss category in each of the four years. However, the rate of return on DOD sales also extended to a higher range in three of the four years. On an overal' basis, the return on TCI was higher on commercial sales for three of the four years.

Schedule 4—Stratification of return on TCI for various categories of defense contractors

In this schedule we have broken down our sample of the larger defense contractors into three categories and show return on TCI for DOD and commercial sales. All of the contractors had at least $50 million in annual defense sales. The categories are:

High volume defense contractor—A contractor which has:

(1) At least 10 percent of total company business in defense sales.

(2) Over $200 million in annual defense sales.

Medium volume defense contractor—A contractor which has:

(1) At least 10 percent of total company business in defense sales.

(2) Annual defense sales of less than $200 million.

Commercially oriented contractor—A contractor which had less than 10 percent of total company business in defense sales.

In all years the commercially oriented companies had higher rates of return overall than the defense oriented companies. Also, except for one instance, the rates of return on commercial sales of the commercially oriented companies were higher than the comparable rates of the defense companies. Further, the commercially oriented companies had lower rates of return on their DOD work than on their comparable commercial work for all four years.

There were no very significant differences in the rates of return of the high volume and medium volume defense contractors except for the year 1966. In that year the low rate of 2.5 percent, on DOD sales of medium volume defense contractors, was due to large losses of a small number of companies.

Schedule 5—Stratification of return on Equity Capital Investment (ECI) for various categories of defense contractors

In this schedule we have broken down our sample of the larger defense contractors into three categories and show return on ECI for DOD and commercial sales. The three categories are *high volume defense contractors, medium volume defense contractors,* and *commercially oriented contractors.* The definitions of the categories are on page 25.

In three of the four years the commercially oriented contractors had a higher return on ECI than the defense oriented contractors. The defense and commercially oriented contractors compared much more closely on return on ECI than on return on TCI. This is due to the fact that our defense contractors have a higher proportion of borrowed capital than our commercial contractors. It is interesting to note also that in three of the four years the defense oriented contractors, as an overall group, show a higher rate of return on ECI for defense work than the commercially oriented contractors. Also, in all four years the commercially oriented contractors show a higher rate of return on commercial work.

Schedule 6—Summary of profits, before Federal income taxes, by types of contract for large DOD contractors

The types of contracts covered are those most commonly used in recent years by the Department of Defense, *cost plus fixed fee (CPFF), cost plus incentive fee (CIPIF), fixed price incentive (FPI), firm fixed price, negotiated (FFP)* and *firm fixed price, formally advertised.*

The data indicates that the bulk of the dollars are in the firm fixed price, negotiated, and fixed price incentive categories. In addition, firm fixed price negotiated contracts appear to be generally the most profitable.

Advertised prime contracts appear to be the least profitable in that contractors reported losses in three of the four years. The dollar volume of such contracts is small, however, amounting to only about 4 percent of the total sales reported.

On an overall basis, profits were slightly higher on subcontract sales than on prime contract sales except for 1969 when a loss on fixed price incentive subcontracts reduced the overall profit rate for subcontracts.

Schedule 7—Profit data (before Federal income taxes) for sample of smaller defense contractors

This schedule presents data we obtained from a sample of the defense contractors with less defense work than those covered in our sample of the top 100 DOD contractors. The magnitude of the population and diversity of operations involved made it impractical to obtain a sufficiently large sample to project the overall profit rates. Therefore, the results of this portion of our review are simply a summary of the data for our sample of the smaller contractors and should not be considered representative of all contractors in the group.

The dollar value of defense sales of these contractors (line 1) amounts to only about 7 percent of their comparable commercial sales (line 2). Thus, these companies are much more commercially oriented than those in our large defense contractor sample. In that sample the dollar volume of defense sales amounted to about one-third of the comparable commercial sales.

Profit as a percent of sales (lines 3 and 4) averaged slightly more than half the profit earned on comparable commercial sales. This is not significantly different from the experience of the larger defense contractors for which we show average defense profits of slightly less than half of their comparable commercial profits.

The rate of return on TCI and ECI is significantly greater for commercial sales (lines 6 and 8) than for defense sales (lines 5 and 7) in 1966 and 1968. In 1967 the rate was slightly higher on DOD sales and in 1969 slightly higher on commercial sales. In comparison with the large companies, the wider spread in rates of return on DOD and commercial work may result from many of the smaller contractors selling products that have shorter production cycles or off the shelf items which do not qualify for progress payments or cost reimbursements. Under these circumstances the contractor would be paid after delivery and would not benefit from Government financing. In addition, such contractors are less likely to obtain Government plant and equipment to the extent that major DOD contractors do.

The rates of turnover on TCI and ECI for DOD sales (lines 9 and 11) are significantly lower for the smaller defense contractors than for the larger DOD contractors. This, of course, is also a good indication that the contractors have substantially less Government financing and other assistance than the larger DOD contractors.

Schedule 8—Comparison of GAO profit data (before Federal income taxes) with LMI profit data for DOD contractors meeting LMI criteria

In this schedule we compare GAO profit data for large DOD contractors with similar data developed by the Logistic Management Institute (LMI) for the Department of Defense. Our comparison is limited to the years 1966 through 1968 since LMI did not develop data for 1969.

LMI's criteria, in recent years, for including companies in its studies, provided that they have at least $25 million in annual DOD sales and do at least 10 percent of their business with DOD. We did not have similar limitations, therefore, for this comparison we have included only those companies that met LMI's criteria.

Our study also differed from LMI in the following respects:

1. LMI defined total capital investment (TCI) as equity capital plus long term debt. We included the investment in all assets used by the company in producing and selling material, regardless of whether the investment was financed by current liabilities, long term debt, equity capital, or other items on the liability and capital side of the balance sheet.

2. In computing return on TCI we added interest expense to profit since we considered the related liabilities as capital. LMI did not add back interest on the basis that the effect would be insignificant.

For this schedule we have adjusted our data to meet LMI's criteria for TCI, and interest was not added to profit.

Our rate of profit on DOD sales (line 3) is about the same as LMI in 1966, about 28 percent higher in 1967, and about 31 percent higher in 1968. (These differences may be due to differences in the companies covered. Also, so far we have processed data for only about one-half of the companies included in our study.) Our rate of profit on commercial sales compares very closely with LMI.

In the return on TCI and ECI sections (lines 5 through 8) we show some fairly significant differences from LMI. Our DOD rates of return are much higher than LMI's in all three years and our commercial rates of return are slightly lower. We believe that much of the difference is due to our attempt to identify assets such as inventories, accounts receivable, and fixed assets specifically with DOD sales and with commercial sales rather than accepting an allocation based on cost of sales. While it was not possible to directly associate assets with sales categories in all cases, we were at least partially successful in many instances, particularly in obtaining direct allocations of inventories and receivables.

The proper identification of assets with each sales category was important to assure proper consideration of Government-furnished capital for defense work.

The capital turnover rates (sales divided by capital) are shown on lines 9 through 12. Our rates much higher for DOD sales than LMI's and are slightly lower for commercial sales. We believe that basically, as stated above, the differences were due to different allocation methods.

Conclusions

Commercial work on an average basis appears somewhat more profitable than defense work. This shows up, for example, in our schedules showing return on TCI. For both the large defense contractors and the smaller defense contractors, commercial work was more profitable than defense work in three of the four years.

Contractors, of course, realize benefits in addition to profits on defense work. These include such items as:

(1) The Government generally pays for research and development costs for defense work while a contractor may invest a substantial amount in developing a commercial product which doesn't sell.

(2) The defense work may result in substantial benefits for the contractor in commercial applications.

(3) The absorption of overhead costs by defense work, particularly independent research and development costs.

Because of the additional benefits it would not seem unreasonable that the profit on defense work would be somewhat lower than on commercial work. There is no one right answer on what the rate of profit should be, however, for all types of defense work. Where there is good price competition, there is probably no need to be concerned with the profit rate. For the noncompetitive contracts, a number of factors must be considered, such as complexity of the work, the difficulty in estimating costs, the type of contract involved, and the capital required for completion of the contract. The profit rates must be sufficient to maintain a strong defense industry. This is vital to the security of the country. On the other hand, profit rates should not be greater than necessary, particularly with the huge unmet social needs of the country.

SCHEDULE 1

SUMMARY OF DATA, BEFORE FEDERAL INCOME TAXES, FOR LARGE DOD CONTRACTORS

	1966	1967	1968	1969
Sales (in billions):				
DOD	$10.4	$13.1	$13.5	$13.6
Other Defense agencies	2.0	1.5	1.5	1.4
Commercial	31.1	32.3	41.1	41.3
Profit as percent of sales:				
DOD	5.1	5.4	5.2	3.9
Other Defense agencies	4.9	4.6	5.5	5.4
Commercial	11.6	7.9	11.6	9.2
Profit as percent of TCI:				
DOD	$11.9	$14.1	$13.7	$10.2
Other Defense agencies	14.4	14.5	14.7	13.0
Commercial	17.1	11.1	17.4	13.0
Profit as percent of ECI:				
DOD	23.6	28.4	27.3	19.8
Other defense agencies	26.3	26.6	26.4	21.8
Commercial	26.7	17.2	28.6	20.9

SCHEDULE 1—Continued

SUMMARY OF DATA, BEFORE FEDERAL INCOME TAXES, FOR LARGE DOD CONTRACTORS—Continued

	1966	1967	1968	1969
TCI turnover:				
DOD	2.2	2.4	2.4	2.2
Other defense agencies	2.7	2.4	2.4	2.1
Commercial	1.4	1.3	1.4	1.3
ECI turnover:				
DOD	4.7	5.2	5.2	5.
Other defense agencies	5.3	4.7	4.8	4.
Commercial	2.3	2.2	2.5	2.

Note: The figures in this chart are not final and are illustrative only.

SCHEDULE 2

STRATIFICATION OF RETURN ON TCI (BEFORE FEDERAL INCOME TAXES) FOR DOD SALES OF LARGE DOD CONTRACTORS

Return on TCI	1966 percent of total		1967 percent of total		1968 percent of total		1969 percent of total	
	Contractors	Sales	Contractors	Sales	Contractors	Sales	Contractors	Sale
Loss	4.8	3.62	9.8	8.44	4.8	1.56	12.2	14.6
0 to 5 percent	17.1	8.41	2.4	2.57	7.4	8.59	12.2	8.6
5.1 to 10 percent	17.1	15.63	12.2	18.59	9.8	23.74	14.6	14.0
10.1 to 15 percent	39.0	43.14	31.7	33.85	26.8	19.42	24.4	25.6
15.1 to 20 percent	12.2	9.78	22.0	8.15	26.8	20.63	12.2	8.8
20.1 to 25 percent	9.8	19.42	7.3	11.79	9.8	19.24	9.8	20.7
25.1 to 30 percent	0	0	2.4	.81	2.4	.53	7.3	5.3
30.1 to 50 percent	0	0	4.9	14.18	7.3	4.60	4.9	1.4
50.1 to 100 percent	0	0	7.3	1.62	4.9	1.69	2.4	.7
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.
Total sales (billions)		10.4		13.1		13.5		13.
Return on TCI spread by year		−26.7 to +22.4		−6.1 to +85.0		−21.5 to +81.4		−12.3 to +95.
Average return on TCI		11.9		14.1		13.7		10.

Note: The figures in this chart are not final and are illustrative only.

SCHEDULE 3

STRATIFICATION OF RETURN ON TCI (BEFORE FEDERAL INCOME TAXES) FOR COMMERCIAL SALES OF LARGE DOD CONTRACTORS

Return on TCI	1966 percent of total		1967 percent of total		1968 percent of total		1969 percent of total	
	Contractors	Sales	Contractors	Sales	Contractors	Sales	Contractors	Sale
Loss	5.1	1.79	12.8	3.50	12.8	1.41	15.4	5.3
0 to 5 percent	2.6	.22	7.7	26.31	2.6	0	10.3	17.0
5.1 to 10 percent	7.7	4.73	18.0	6.89	15.4	10.18	15.4	8.5
10.1 to 15 percent	38.5	35.83	33.3	37.10	33.3	22.86	28.2	39.0
15.1 to 20 percent	17.9	32.74	12.8	3.24	15.4	44.64	10.2	8.2
20.1 to 25 percent	10.3	12.32	7.7	11.68	5.1	.59	7.7	9.6
25.1 to 30 percent	10.3	10.71	5.2	10.16	7.7	8.79	7.7	11.0
30.1 to 50 percent	5.1	1.65	2.5	1.12	7.7	11.53	5.1	1.1
50.1 to 100 percent	2.5	5.01	0	0	0	0	0	0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total sales (billions)		$31.1		$32.3		$41.1		$41.
Return on TCI spread by year		−16.2 to +16.3		−27.2 to +35.2		−50.2 to +45.9		−17.8 to +38.
Average return on TCI		17.1		11.1		17.4		13.

Note: The figures in this chart are not final and are illustrative only.

RETURN ON TCL FOR VARIOUS CATEGORIES OF DEFENSE CONTRACTORS

Description	1966	1967	1968	1969
Contractors—Overall	14.7	11.4	16.3	12.5
DOD	10.9	12.6	13.1	10.3
Commercial high profits	16.2	11.1	16.9	12.9
High and medium volume Defense contractors—Overall	11.7	10.3	12.3	10.4
DOD	10.4	12.8	13.1	10.2
Commercial	12.3	9.7	21.0	10.5
High volume Defense contractors—Overall	11.4	10.2	12.3	10.
DOD	12.1	13.3	12.4	9.
Commercial	11.1	8.8	12.3	10.
Medium volume Defense contractors—Overall	12.6	11.9	12.3	11.
DOD	2.5	10.7	16.0	14.
Commercial	15.1	12.2	11.3	10.
Commercially oriented contractors—Overall	19.0	12.2	20.6	15.
DOD	14.5	11.3	12.7	10.
Commercial	19.2	12.2	21.0	15.

Note: Data is included in this schedule for a few more contractors than were covered in schedule 1. The figures in this chart are not final and are illustrative only.

SCHEDULE 5

RETURN ON ECI FOR VARIOUS CATEGORIES OF DEFENSE CONTRACTORS

Description	1966	1967	1968	1969
All contractors:				
Overall	24.7	18.2	27.1	20.5
DOD	20.9	24.0	25.1	19.3
Commercial	25.3	17.2	27.4	20.7
High and medium volume defense contractors:				
Overall	21.4	18.7	21.8	18.7
DOD	20.4	25.0	25.7	19.8
Commercial	21.8	16.4	20.5	18.3
High volume defense contractors:				
Overall	20.6	18.2	22.1	18.8
DOD	24.4	26.9	24.7	18.3
Commercial	19.6	14.8	21.2	18.9
Medium volume defense contractors:				
Overall	22.8	19.9	21.3	18.
DOD	2.9	18.1	29.0	24.
Commercial	27.6	20.4	18.9	16.
Commercially oriented contractors:				
Overall	27.2	17.7	31.6	22.
DOD	23.6	18.9	22.0	17.
Commercial	27.4	17.7	32.0	22.

Note: The figures in this chart are not final and are illustrative only. Data is included in this schedule for a few more contractors that were covered in schedule 1.

SUMMARY OF PROFITS BY TYPE OF CONTRACT FOR LARGE DOD CONTRACTORS (BEFORE FEDERAL INCOME TAXES)

[Sales in millions of dollars]

	1966		1967		1968		1969	
	Prime contractor	Subcontractor	Prime contractor	Subcontractor	Prime contractor	Subcontractor	Prime contractor	Subcontractor
CPFF:								
Sales	630	45	727	45	775	68	900	110
Percent profit	5.3	5.8	3.7	5.6	3.6	6.1	3.8	4.6
CPIF:								
Sales	1,069	163	1,434	233	1,528	228	1,297	210
Percent profit	4.9	3.8	5.3	6.2	5.8	6.9	7.1	4.6
FPI:								
Sales	3,040	189	4,285	236	3,509	325	4,528	293
Percent profit	4.9	4.9	3.9	(0.6)	4.0	2.9	2.5	(5.3)
FFP-NEG.:								
Sales	3,771	807	4,552	939	5,485	967	4,643	978
Percent profit	5.1	7.2	6.6	6.9	6.5	6.0	5.4	4.6
Advertised:								
Sales	512		619		513		520	
Percent profit	(1.3)		2.3		(3.8)		(2.7)	
Total:								
Sales	9,022	1,204	11,617	1,453	11,810	1,588	11,888	1,591
Percent profit	4.6	6.4	5.1	5.5	5.0	5.4	4.0	2.8

Note: The figures in this chart are not final and are illustrative only.

SCHEDULE 7

PROFIT DATA BEFORE FEDERAL INCOME TAXES FOR SAMPLE OF SMALLER CONTRACTORS

	1966	1967	1968	1969
Sales (in billions):				
DOD	$0.17	$0.26	$0.28	$0.26
Commercial	3.26	3.38	3.45	3.65
Profit as percent of sales:				
DOD	4.6	7.3	5.0	5.8
Commercial	11.0	9.5	10.8	10.3
Profit as percent of TCI:				
DOD	8.9	14.6	10.3	12.1
Commercial	15.9	13.9	15.4	14.9
Profit as percent of ECI:				
DOD	$13.8	$22.7	$15.4	$18.6
Commercial	25.0	21.2	23.2	23.2
Turnover of TCI:				
DOD	1.7	1.8	1.8	1.8
Commercial	1.4	1.3	1.3	1.3
Turnover of ECI:				
DOD	3.0	3.1	3.1	3.2
Commercial	2.3	2.2	2.2	2.3

Note: The figures in this chart are not final and are illustrative only.

SCHEDULE 8

COMPARISON OF GAO PROFIT DATA (BEFORE FEDERAL INCOME TAXES) WITH LMI PROFIT DATA FOR DOD CONTRACTORS MEETING LMI STUDY CRITERIA

Description	1966		1967		1968	
	GAO	LMI	GAO	LMI	GAO	LMI
Sales (in billions):						
DOD	9.1	14.7	11.5	17.9	11.8	20.8
Commercial	9.6	13.5	11.5	17.6	14.2	24.2
Profit divided by sales:						
DOD	4.6	4.5	5.4	4.2	5.1	3.9
Commercial	9.1	9.2	5.8	6.4	7.2	7.6
Profit divided by TCI:						
DOD	18.5	13.0	22.3	13.0	20.6	12.8
Commercial	18.6	19.7	11.1	13.4	14.7	16.3
Profit divided by ECI:						
DOD	24.6	17.4	32.5	18.9	30.4	18.5
Commercial	25.9	27.5	16.2	19.5	21.2	23.8
TCI turnover:						
DOD	4.0	2.9	4.2	3.1	4.1	3.3
Commercial	2.1	2.2	1.9	2.1	2.1	2.1
ECI turnover:						
DOD	5.3	3.9	6.1	4.5	6.0	4.8
Commercial	2.9	3.0	2.8	3.1	2.9	3.1

Note: The figures in this chart are not final and are illustrative only.

IMMIGRATION AND NATIONALITY ACT HEARINGS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. RODINO) is recognized for 10 minutes.

Mr. RODINO. Mr. Speaker, I wish to advise the House that on Wednesday, April 28, 1971. Subcommittee No. 1 on Immigration and Nationality, Committee on the Judiciary, will commence a series of hearings on revision of the Immigration and Nationality Act.

Miss Barbara M. Watson, Administrator of the Bureau of Security and Consular Affairs, will appear before the subcommittee on April 28, 1971, at 10 a.m. in room 2237, Rayburn House Office Building. Miss Watson will also appear before the committee on April 29, 1971, at 10 a.m., in room 2237.

On May 5, 1971, the Honorable Raymond F. Farrell, Commissioner of the Immigration and Naturalization Service of the Department of Justice, will be the witness before the committee at 10 a.m. in room 2237, Rayburn House Office Building.

The purpose of the hearings is to review visa issuance procedures, general enforcement of the immigration laws, and to analyze the problems that have developed in the administration of the law. Further hearings will be announced at a future date.

ADMINISTRATION PROPOSING WAGE BOARD CHANGES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. DULSKI) is recognized for 10 minutes.

Mr. DULSKI. Mr. Speaker, on Tuesday, April 27, the Subcommittee on Manpower and Civil Service, chaired by the gentleman from North Carolina (Mr. HENDERSON), will begin hearings on several bills dealing with changes in the wage board system. Chairman Robert E. Hampton of the Civil Service Commission will be the opening witness.

Chairman Hampton has submitted to the Speaker proposed legislation in this field which has been referred to our committee for consideration.

In order that the draft of legislation submitted by Mr. Hampton will be before the committee when the hearings get underway, I am introducing the bill today.

Mr. Speaker, as a part of my remarks, I am including the text of the letter which Chairman Hampton sent to you, as well as the accompanying statement of purpose and justification for the legislation and the section analysis of the bill, as follows:

Hon. CARL ALBERT,
Speaker of the House of Representatives.

DEAR MR. SPEAKER: I am transmitting for the consideration of Congress proposed legislation "To amend title 5, United States Code, to establish a Federal Wage System for fixing and adjusting the pay of certain employees of the Government." A draft bill, a section analysis, and a statement of purpose and justification are enclosed.

The draft bill is designed to continue existing coverage of trades, craft and manual laboring occupations and certain employees in the Bureau of Engraving and Printing, as well as officers and members of crews of vessels. The system is based on the fundamental principle that, consistent with the public interest, the pay of Federal employees in trade, crafts and manual laboring occupa-

tions should be related to prevailing rates for the same levels of work. This fundamental principle provides the necessary flexibility to keep the system current and meet changing conditions as they arise.

The proposed legislation vests in the President the responsibility for the system as part of his responsibility for management of the executive branch, with authority to designate an agent, expected to be the Chairman of the Civil Service Commission, to operate the program. This is consistent with the placement of responsibility for adjustments in statutory salary systems.

The Bureau of Labor Statistics is designated to serve as the survey agency for the Federal Wage System. Assignment of the responsibility to the BLS would unify wage survey activities of the Federal government and reduce substantially the element of duplication that now exists because of the collection of similar wage information in the same wage areas by BLS and the agencies. White collar salaries are fixed on the basis of BLS surveys as are rates of employees of companies that contract with Federal establishments (McNamara-O'Hara Service Contract Act). The professional capability of the BLS to conduct such surveys is well established.

The proposed legislation would authorize establishment of a Federal Wage System Advisory Council. This Council would not be a decision making body, but would serve to advise the agent of the President on basic policy matters concerning the establishment and the operation of the Federal Wage System. This Council would provide both management and labor representatives with a medium for expressing their views on policy matters affecting the system. The Council would consist of five labor representatives and five management representatives. Members would be selected on the basis of numbers of wage workers employed in the agencies and represented by the labor organizations.

The proposed legislation continues section 5341(c) of title 5, United States Code, commonly referred to as the Monroney Amendment, which sets requirements, under specified conditions, for using pay data from other wage areas in setting local pay schedules.

The proposed legislation specifies an effective date of 180 days after enactment with two conditions. The first concerns the recognition of surveys conducted by the agencies during the transition period and the second specifies an area-by-area application of the system as wage surveys are completed by the Bureau of Labor Statistics. The conversion process would be completed approximately one year after the first wage schedule is established under the new system.

We urge that the proposed legislation be given prompt and favorable consideration. The proposed legislation contains many features of the Coordinated Federal Wage System which we consider have proven workable and equitable based on experiences gained during the nearly three years of its operation. It will also be noted that the proposed legislation states only the general framework of the general policies and principles under which the system will function rather than specifying detailed rules and instructions. This approach provides the flexibility needed to establish or modify existing features of the system as necessary in order to respond quickly and fully to often changing needs of the system.

The Office of Management and Budget advises that enactment of the proposed legislation would be in accord with the program of the Administration.

A similar letter is being sent to the President of the Senate.

By direction of the Commission:

Sincerely yours,

ROBERT E. HAMPTON,
Chairman.

STATEMENT OF PURPOSE AND JUSTIFICATION

(To accompany a draft bill to amend title 5, United States Code, to establish a Federal Wage System for fixing and adjusting the pay of certain employees of the Government.)

The purpose of this draft bill is to fix into law a Federal Wage System based on the fundamental principle that, as nearly as is consistent with the public interest, the pay of employees covered by that system should be related to prevailing rates for the same levels of work. This fundamental principle provides the necessary flexibility to keep the system current and meet changing conditions and problems which arise.

The bill is designed to continue existing coverage of trades, craft and manual laboring occupations and certain employees in the Bureau of Engraving and Printing, as well as officers and members of crews of vessels. It proposes the continuation of provisions that the pay of officers and members of crews of vessels shall be fixed and adjusted from time to time as nearly as is consistent with the public interest in accordance with prevailing rates and practices of the maritime industry. In areas where inadequate maritime industry practice exists it provides for the fixing of pay in accordance with section 5343 of title 5, United States Code. It also proposes the continuation of exceptions presently recognized in section 5102 of title 5, United States Code.

The proposal would vest in the President the responsibility for fixing the pay of employees under the Federal Wage System and for establishing regulations to govern the establishment of wage structures and pay practices, the classification of positions, the coverage of appropriate wage surveys, and the administration of the Federal Wage System. The President would be empowered to designate an agent to carry out these executive responsibilities. These responsibilities previously have been executed by the heads of agencies and the Chairman of the Civil Service Commission. It is expected that the Chairman of the Civil Service Commission will be designated as the agent of the President.

The draft bill continues section 5341(c) of title 5, United States Code, commonly referred to as the Monroney Amendment. The Monroney Amendment requires the use of industry pay data from other wage areas when local industry does not have sufficient employment in the kinds of positions that are directly comparable to the principal types of Federal positions in the area.

The draft bill specifies that the Bureau of Labor Statistics shall serve as the survey agency for the Federal Wage System. The BLS now conducts the National Survey of Professional, Administrative, Technical and Clerical Pay. The salaries of a much larger group of classified employees are fixed on the basis of that survey. The BLS also conducts surveys under the McNamara-O'Hara Service Contract Act which are used to establish rates for employees of companies providing services under contracts with Federal establishments. Assignment of responsibility to conduct surveys for the Federal Wage System would unify wage survey activities of the Federal government. It would eliminate a substantial element of duplication which exists under the present system whereby both the BLS and agencies now collect similar wage information in the same wage area. Wage surveys are needed to establish the facts about levels of rates being paid by industrial employers. This factfinding is best done by an impartial, objective body that will not be affected by the outcome. The BLS meets this test. The professional capability of the BLS to conduct such surveys is well established.

The draft bill would authorize the establishment of a Federal Wage System Advisory Council. This would not be a decision making body. Rather, its purpose would be to advise the agent of the President on the basic policies to govern the establishment and operation of the Federal Wage System. Five members would represent key agencies and five members would represent key labor organizations. The agent of the President or his designated representative would chair meetings with the Council. The views of management and labor would be expressed in the review of existing and proposed policies applicable to employees subject to this Act. These views would be considered by the agent of the President in the discharge of his responsibilities for the fixing and adjusting of pay in accordance with the basic principles of equity established by this Act.

The draft bill does not include existing statutory provisions concerning position classification appeals by employees under the Federal Wage System. Under existing statutes wage fixing authority is vested in the heads of agencies and the current provisions of section 5345, title 5, United States Code, are necessary to empower the Civil Service Commission to review and possibly change the classification decision of the head of an agency. The proposed bill would vest in the agent of the President, expected to be the Chairman of the Civil Service Commission, authority to govern the classification of positions under the system. There no longer is a need for a statutory appeals system. Appeals provisions paralleling those already in existence will be established by regulation under the authority of the agent of the President to manage the new system.

The draft bill specifies an effective date 180 days after enactment under the following conditions. It is necessary to have an orderly transition in the government's business from wage surveys conducted under the existing system to those wage surveys which will be conducted by the Bureau of Labor Statistics. One hundred eighty days are needed for the council review of the existing system and for the preparation of regulations defining the Federal Wage System. This is the minimum time required by the BLS to recruit and train needed staff and to plan for the conduct of the wage surveys. In order to continue the orderly adjustments of existing wage schedules while BLS makes such preparations, a condition is included to recognize a wage survey conducted by an agency before the effective date of this Act for a wage schedule which becomes effective after such effective date. The second condition to insure an orderly conversion to the Federal Wage System specifies an area-by-area application as wage surveys are completed by the BLS. A full round of surveys would require one year to complete, and all affected employees would be brought under the system by approximately one year from the effective date of new wage schedules in the first area surveyed.

SECTION ANALYSIS

To accompany a draft bill to amend title 5, United States Code, to establish a Federal Wage System for fixing and adjusting the pay of certain employees of the Government.

The first section of the draft bill provides for the Act to be cited as the "Federal Wage System Act of 1971".

Section 2 of the draft bill completely revises and restates Subchapter IV of Chapter 53 of title 5, United States Code. The various sections of that subchapter as amended by this draft bill are discussed below.

Section 5341 Policy. This section sets forth the policy that the pay of employees under the Federal Wage System shall be fixed and adjusted from time to time as early as is consistent with the public interest in accordance with prevailing rates. It continues the requirement that subject to section 213(f) of title 29, the rates may not be less than the appropriate rates provided for by section 206(a)(1) of title 29.

Section 5342 Definitions. This section defines a number of terms used frequently throughout the draft bill. 'Agency' has the usual definition set forth in section 5102 of

title 5; however, subject to section 5343(b) of title 5, an 'agency' referred to in section 5102(a)(1)—(viii) may become an 'agency' for the purpose of this subchapter. 'Employee' is defined to include (1) an employee in a recognized trade or craft or skilled, unskilled or semiskilled manual labor occupation including their supervisors in a position having trade, craft, or laboring experience and knowledge as the paramount requirement; and (2) an employee of the Bureau of Engraving and Printing who performs or directs manual or machine operations, or the counting, examining, sorting, or other verification of the product of manual or machine operations.

Section 5342 (b) specifically provides that the draft bill does not apply to employees and positions described by section 5102(c) of title 5, other than by paragraphs (7) (trades, crafts and laboring employees, generally) and (8) (officers and members of crews of vessels) of that section.

Section 5343 Administration. This section sets forth the procedures for carrying out the policy expressed in section 5341 of the draft bill. Responsibility for the Federal Wage System is vested in the President of the United States. It provides further for the President to designate an agent to execute these responsibilities. These proviously were the functions of the heads of agencies and the Chairman of the Civil Service Commission. It is expected that the Chairman of the Civil Service Commission will be designated as the agent of the President. This includes authority to prescribe the regulations under which pay will be fixed, to establish wage structures and pay practices, to determine wage survey coverage, to govern the classification of jobs under the system, to make appropriate surveys by the Bureau of Labor Statistics, to administer the Federal Wage System, and to negotiate with the heads of each agency referred to in section 5102(a)(1)—(viii) of title 5 and with appropriate labor organizations for the purpose of bringing wage-system type employees of those agencies under the Federal Wage System. The agent of the President also is authorized to delegate wage fixing authority to the heads of agencies and to provide for management-labor union involvement.

Section 5342 continues the "Monroney Amendment" provision for using wage data from outside a wage area for the purpose of setting rates for the principal types of positions under the Federal Wage System which do not have counterparts within the area.

Section 5344 Effective date of pay increase. This section of the draft bill states when increases in pay will become effective. The term pay, rather than basic pay, is used to reflect the broadest coverage of increases (basic pay plus differentials) which result from wage surveys. This section recognizes that wage surveys will be conducted by an agency (BLS) other than the wage fixing authority, and continues that part of the existing statutory time limits for effecting wage increases based on surveys conducted by other than the wage fixing authority. This provides that such wage increases would be effective not later than the first day of the first pay period which begins after the 19th day, excluding Saturdays and Sundays, following the date on which the BLS survey data are received by the agent of the President or the head of an agency designated under section 5343 of title 5. The existing provisions pertaining to the effective dates for increases based on agency-conducted surveys will have no further application after BLS assumes the survey role, and accordingly that provision is being dropped.

Section 5345 Retroactive pay. This section of the draft bill continues existing statutory provisions governing the conditions under which an employee under the Federal Wage System is entitled to retroactive pay. Generally speaking only employees who are on an agency's rolls on the date the retroactive schedule is issued or who have retired or died between the period of the effective date of the schedule and the issuance date of the schedule are entitled to the retroactive pay. However, retroactive pay under this section is excluded from pay for the purpose of Chapter 83 of title 5, United States Code and for the purpose of determining the amount of insurance for which an employee is eligible under Chapter 87 of title 5, United States Code.

Section 5346 Federal Wage System Advisory Council. This section provides for the agent of the President in carrying out his functions to establish a Federal Wage System Advisory Council to advise him on policy matters. This Council will review existing and proposed policies applicable to employees under the Federal Wage System and recommend to the agent of the President their adoption, modification, or continuation consistent with the purposes of the Federal Wage System. The Council will have ten members, five representatives from among the executive agencies and five labor organization representatives. Agency representatives will be selected with due consideration to the relative numbers of employees under the Federal Wage System in those agencies. The labor organization representatives will be selected with due consideration to the relative numbers of employees under the Federal Wage System represented. The agent of the President or a representative designated by him will serve as the spokesman for the executive branch and will chair meetings with the Council. He will consider the views of each member in the discharge of his responsibilities under the basic principles of equity established by this Act.

Section 5346 of the draft bill provides for the agent of the President to make an annual report to the President on the operation of the Federal Wage System. Any views of Council members which are submitted in writing also will be furnished with the report to the President.

Section 5347 Crews of vessels. This section continues the practice of setting the pay for officers and members of crews of vessels in accordance with prevailing rates and practices of the maritime industry. It specifies that the agent of the President will prescribe the regulations to carry out the provisions of this section. These responsibilities formerly were vested in the heads of agencies. This section continues to exclude officers and members of crews of vessels from the other provisions of this subchapter. This section also provides authority to fix the pay of crews of vessels in an area where inadequate maritime practice exists in accordance with section 5343 of title 5, United States Code.

Section 2(b) of the draft bill makes conforming changes in the analysis of Chapter 53 of title 5, United States Code.

Section 3 provides for the agent of the President to prescribe the payfixing regulations for converting an employee's initial rate of pay to a wage schedule established pursuant to the amendments made by this Act. Under no circumstances will the amendments made by this Act be construed to decrease the existing rate of pay of any employee subject to the Act.

The draft bill also contains provisions for continuation of agreements at present in effect as a result of negotiations between departments and agencies of the Government and labor organizations.

Section 4 provides a conforming amendment to section 5541 of title 5, United States Code.

Section 5 provides a conforming amendment to section 5544 of title 5, United States Code. This section does not apply to the proposed section 5347, Crews of vessels, of this Act.

Sections 6 through 8 provide conforming amendments to appropriate sections of title 5, United States Code.

Section 9 provides for the repeal of all laws inconsistent with this Act.

Section 10 provides an effective date of 180 days after enactment for the orderly conversion to the Federal Wage System on an area by area basis.

FEDERAL PRIVACY ACT

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

Mr. KOCH. Mr. Speaker, recently I made a trip to the U.S.S.R. which was for the purpose of visiting with the families of Soviet Jews held in Leningrad jails and to speak with Soviet officials on their policy of refusing rights to Jews accorded other nationalities in the Soviet Union and refusing to permit Jews to emigrate from the Soviet Union. The details of my trip were reported to the House in a statement which I made on the floor on April 7.

I would like now to provide this House with some further observations that I have had as a result of my trip to the Soviet Union. From the moment I landed in Moscow until I left I, like every other foreigner, was under constant observation by the KGB, the secret police. How do I know this? I know it from personal observation since those who were assigned to follow me at times were quite overt in their activities. I also was told about routine KGB surveillance in conversations with newspapermen from western countries, U.S. Embassy officials, and other Americans now in the Soviet Union either as tourists or in some kind of an exchange program. According to all of these sources the telephones are tapped, and the bugging of hotel rooms and tables in restaurants is a common occurrence.

The oppressiveness of this kind of monitoring is overwhelming. One young American who is part of an exchange program at Moscow University told me, "The national pastime here is to take walks in the parks." What he meant was that no one speaks freely, even in the dormitory housing provided for students.

Mr. Speaker, I know that we in this country have not been immune from Government surveillance, but one major difference between what takes place here and that which takes place in the Soviet Union is that in the Congress, Members do rise to speak out against such surveillance and ask for the resignation of the FBI Director without fear that they will be incarcerated or otherwise punished. The editorials of our daily newspapers which are critical of excessive Government snooping further attests to a major difference in our societies.

But it is not enough to say that we have an open society. No, it is essential that we remain vigilant against Government invasions of privacy. It is for this reason that I have introduced H.R. 854,

the Federal Privacy Act. This bill would require all Federal agencies maintaining records on an individual to:

First, notify the individual that such records exist.

Second, notify him of all transfers of such information.

Third, disclose information from such records only with the consent of the individual or when legally required.

Fourth, maintain a record of all persons given access to such records.

Fifth, permit the individual to inspect his records, make copies of them and supplement them.

Exceptions to this requirement would be made in instances of national security and when information is temporarily withheld for the purposes of criminal prosecution.

This Nation is in the debt of Senator SAM ERVIN for having made public the dimensions of surveillance by Government agencies now taking place in our country and making so clear the need for limitations and restraints to be placed on the kind of surveillance and the access that citizens should have to those records now being collected. H.R. 854 now has 114 cosponsors. Its sponsorship crosses party and philosophical lines. I insert for the RECORD a list of the bill's cosponsors. I urge the distinguished chairman of the Government Operations Committee to hold hearings on this important legislation.

The list follows:

COSPONSORS OF FEDERAL PRIVACY ACT

Mr. Koch, Mr. Reid, Mr. Ryan, Mr. Harrington, Mr. Bingham, Mr. Halpern, Mr. Olin Teague, Mr. Begich, Mr. Lent, Mr. McKinney, Mr. Don Edwards, Mr. Podell, Mr. Leggett.

Mr. Aspin, Mr. Mitchell, Mr. Abourezk, Mrs. Abzug, Mr. Biaggi, Mr. Schwengel, Mrs. Chisholm, Mr. Thomas O'Neill, Mr. Dorn, Mr. Gonzalez, Mr. McCormack.

Mr. Addabbo, Mr. Badillo, Mr. Boland, Mr. Brasco, Mr. Carney, Mr. Conte, Mr. Drinan, Mr. Wm. Ford, Mrs. Julia B. Hansen, Mr. Augustus Hawkins.

Mr. Lujan, Mr. Moorhead, Mr. F. Bradford Morse, Mr. Pepper, Mr. Rangel, Mr. Rosenthal, Mr. St Germain, Mr. Scheuer, Mr. Stokes, Mr. Tiernan.

Mr. Vander Jagt, Mr. Waldie, Mr. Lester Wolff, Mr. Gallagher, Mr. Arthur Link, Mr. Clay, Mr. Wm. Green, Mrs. Ella Grasso, Mr. Wm. Anderson, Mr. John Dent, Mr. Brooks, Mr. Fraser.

Mr. Thompson, N.J., Mr. Udall, Mr. Baring, Mr. Moss, Mr. Ken Hechler, Mr. Mailliard, Mr. Bob Casey, Mr. Melvin Price.

Mr. Burton, Mr. Joe Evins, Mr. James Corman, Mr. Frank Clark, Mr. Pike, Mr. Hays, Mr. Gibbons, Mr. McCloskey, Mr. Eilberg.

Mr. Roncalio, Mrs. Louise Day Hicks, Mr. John Anderson, Mr. Chappell, Mr. Sarbanes, Mr. Wm. Roy, Mr. Roe, Mr. Sandman, Mr. Annunzio, Mr. John Conyers.

Mr. John Dingell, Mr. Robert Nix, Mr. Carl Perkins, Mr. James Kee, Mr. Bill Burlison, Mr. Lucien Nedzi, Mr. Henry Reuss, Mr. Lloyd Meeds, Mr. Robert Giaimo, Mr. Edward Derwinski, Mr. John Melcher.

Mr. Dominick Daniels, Mr. Culver, Mr. Jerry Pettis, Mr. Henry Helstoski, Mr. Sherman Lloyd, Mr. Coughlin, Mr. McMillan, Mr. Peter Kyros, Mr. Brademas, Mr. Gude, Mr. George Collins.

Mr. William Cotter, Mr. Charles Diggs, Mr. Hamilton Fish, Mr. Abner Mikva, Mr. George Miller of Calif., Mr. Edward Patten, Mr. Dick Shoup, Mrs. Dwyer, Mr. Yates.

HOW ABOUT THE OTHER GUY?

(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, the Postmaster General this week notified me that "In recognition of the special importance of prompt delivery of your mail to your constituents, the U.S. Postal Service is initiating a program to provide Members of Congress with overnight delivery of airmail, as well as delivery generally not later than the second day for first-class mail." I know that my colleagues will join me in an expression of thanks to Postmaster General Blount for his stated recognition that "much of your correspondence responding to constituents' letters, as well as the correspondence you initiate, has an urgent time value."

At the risk of assuming the role of ingrate in the face of the Postmaster General's benevolence, I believe that we in the House should neither ask nor expect any privileges related to speed of delivery of our mail not accorded to the citizens and taxpayers who are our employers. One of the greatest governmental advances we can provide our constituents is an improvement in the mail service and this we must do through the Postmaster General and the newly created U.S. Postal Service.

There arrived on my desk in the same mail with the Postmaster General's notice of expedited service for Members' mail a letter from a constituent. I have received several similar letters but this was a litle unique in that it graphically pointed up the miseries suffered by the average individual through delays in the mail. We spoke of checks mailed at a post office on March 3 addressed to a bank less than 5 miles distant. The checks mailed on March 3, a Wednesday, were delivered on March 8, the following Monday, and in the words of this constituent "it took the Post Office 5 days to do what a boy with a bike could have done in 15 minutes."

Let me conclude by stating that I welcome the Postmaster General's leadership in effecting any improvement in mail service but I suggest that the emphasis be placed on moving the mail with the efficiency and at the speed which prevailed in the past. After all the fanfare which attended the creation of the Postal Service and the claims about performance, surely it is now time for us to expect tangible and salutary improvements.

CHANGING THE FISCAL YEAR

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

Mr. MICHEL. Mr. Speaker, I am today introducing another bill, with seven cosponsors, to change the fiscal year of the Federal Government to coincide with the calendar year. This legislation is identical to H.R. 1458 and several other bills which 103 of my colleagues and I introduced earlier this session.

Joining me today are the gentleman from Tennessee (Mr. BAKER); the gentleman from Connecticut (Mr. GIAIMO); the gentleman from Florida (Mr. GIBBONS); the gentleman from Washington (Mr. HICKS); the gentleman from Ohio (Mr. J. WILLIAM STANTON); the gentleman from Oregon (Mr. ULLMAN); and the gentleman from Virginia (Mr. WHITEHURST).

Once again, I urge prompt action on this proposal. Adoption of this change would be a major step toward a more orderly fiscal process.

In order to assist my colleagues and the public in better understanding just why we need to change our current fiscal year and how this would help improve our Federal budgetary and appropriation system, I would like to provide some answers for a number of questions which commonly arise in relation to this proposal.

Question: Why should Congress consider changing the current fiscal year of the Federal Government to coincide with the calendar year? What is wrong with the present system? What is the problem?

Answer: Simply stated, the problem is retroactive funding. In recent years, Congress has not been able to pass appropriation bills prior to the start of the new fiscal year beginning July 1.

During the last Congress, for example, not one regular appropriation bill was enacted into law before the start of the fiscal year to which it applied.

When this happens, dozens of Federal, State, and local agencies go into a fiscal limbo of continuing resolutions. Hospitals, schools, public institutions of all types, private organizations, contractors and the like are left hanging—unable to plan or budget properly.

The levels of Federal revenue and expenditures are of a magnitude to exert a significant influence on the economic pattern of our country, with the Federal Government participating in so many activities at all levels.

This state of affairs, especially after the sorry record of the last Congress in passing appropriation bills, has become intolerable.

Question: How would changing the fiscal year help?

Answer: Over a hundred years ago Congress ran into a similar problem when they met in December and tried in the next 3 or 4 weeks to pass all appropriation bills for a fiscal year beginning January first. It worked for a time, but when the activities of the Federal Government increased and the budget expanded and became more complex, Congress kept falling further and further behind.

So, in 1842, the fiscal year was pushed 6 months ahead, to begin on July 1. This seemed to work reasonably well for the next hundred years.

Now, we find ourselves, once again, in the same kind of predicament. Congress

is unable to cope with the complexities of an expanding Federal budget before July 1 of each year. More time is needed, and pushing the fiscal year 6 months into the future would provide that time.

Question: Would this not play havoc with budget preparation by the executive?

Answer: No, it would not. While it is true that some changes in the present budget cycle would be required, the benefits of going to a calendar year would outweigh the disadvantages. We could even provide an additional 90 days for the executive branch, if needed, to avoid the problems which would be created by putting them in the middle of their accounting year. The budget could be submitted the first of April instead of early in January, as it now is. That way, they could have the benefit of the hard statistical data of the fiscal-calendar year which ended December 31. Congress usually takes several weeks to reorganize, anyway, and we are not able to conduct any significant business until this is completed.

Other changes would be needed, of course, but these are changes which can be made with no great inconvenience. The character of the President's budget would be altered, but this might be a change for the better in some ways. Since basic economic policy, and some high priority appropriation and authorization requests would probably be made before April 1, the budget would become more a summary than a presentation, as it is now. This could be less confusing over all and our committees would not have wasted any time prior to April, having begun consideration of the priority items.

Question: How would the budget and appropriations be handled for the interim 6-month period required by the changeover?

Answer: Since a 6-month and then a 12-month budgetary period would be an especially heavy workload for both the executive branch and the Congress, an interim 18-month budget would appear more workable. The data could be divided into a 6-month and a 12-month period for accounting purposes, but only one set of appropriation bills would be necessary. In this way, the transition could be relatively smooth.

Question: Why go to all this trouble? Can Congress not simply speed up the appropriation process?

Answer: We have been trying, but it just is not working. For one thing, authorizations must come before appropriations, and time and again appropriation bills are held up till the end of the session by tardy authorizations. I do not want to appear to be laying the blame for this at anyone's doorstep, because quite often these authorizing bills involve highly controversial issues for which a great deal of committee time is required to work out acceptable compromises.

As the President pointed out in his budget message this year, we seem to be operating on a 10- to 12-month basis instead of the 5½ required by the present fiscal year system. This puts us 5 to 6 months into the new fiscal year, but, like it or not, this is the way it is working.

I think we need to make every effort to work faster, and use such methods as multiple year authorizations more. But, when you do this you also cut down on the effectiveness of the job Congress must do—oversight and review of Federal expenditures. So, I do not think that in itself is an answer. Combine it with a change in the fiscal year, though, and I believe we will have taken a major step forward toward solving some of these problems.

Question: Was not this proposal originally a provision of the Legislative Reorganization Act in the last Congress? Why was it not left in the bill which passed last year?

Answer: I think basically because it was felt that the present system should be given another chance—that perhaps if we made another concentrated effort to get the bills through on time, we might be able to make it work.

The results, of course, are self evident—it did not happen. And that is why so many Representatives have cosponsored the bills I have introduced, have introduced legislation of their own or have expressed support of the idea.

Question: Well, then, is there any real opposition to this recommendation?

Answer: Some individuals have expressed reservations about the magnitude of the problems which would be involved in making the change, and some feel that there is no guarantee the Congress will not just let things slide even further once the pressure of the July 1 date has been taken off.

Well, I cannot accept that. Certainly there will be problems in making the change, and it will take time. That is why my bill provides that it would not take effect until the 4th year after the legislation is enacted. But, I do not believe Congress would do things very much differently than they are doing now.

We have got to remember that the end of each congressional session and the elections are the magic dates around here, not the first of July. The big push is always to get legislation cleared away before the end of the session or the elections. Often we do not succeed, but changing the fiscal year will not relieve the pressure of those deadlines.

Question: Where does the administration stand on this proposal?

Answer: The President wants something done about "retroactive funding." In his budget message this year he devoted several paragraphs to the need for reform of the budget process, and referred to the present situation as "intolerable."

It "impairs the ability of agency heads to manage their agencies responsibly and economically," he said, and then he concluded:

> Therefore we must seek a more rational orderly budget process. The people deserve one, and our Government, the largest fiscal unit in the free world, requires it.

Now, he is apparently leaving the door open for any workable solution we can come up with, but it looks to me as though anything short of changing the fiscal year is not going to help much. Officials from the Office of Management and Budget testified to the House Rules Committee during the last Congress that changing the fiscal year would help, and could be made to work. Clearly it would not be a panacea, but I think that is the way we are going to have to go.

"SELLING OF THE PENTAGON"—FILM VERSION OF THE PENTAGON PROPAGANDA MACHINE

(Mr. MICHEL asked and was given permisison to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MICHEL. Mr. Speaker, there is increasing evidence that a huge credibility gap has been developed by the CBS network in their so-called documentary, "The Selling of the Pentagon."

Evidence keeps mounting that distortions were made. Since one of the segments related to my own congressional district, I would like to bring to the attention of my colleagues a peculiar parallel between the path of the CBS documentary and a book written by one of the most vocal Pentagon critics, a Member of the other body.

This strange similarity of courses was pointed out to me by one of my constituents who appeared on the CBS program. The book I refer to is "The Pentagon Propaganda Machine."

The CBS documentary covers five topics: First, the civilian VIP tours; second, the staging of films; third, the hometown newspapers; fourth, equipment demonstrations; and fifth, the traveling colonels.

In the anti-Pentagon book, authored by a Member of the other body, the civilian VIP tours are covered on pages 34 to 37. Pages 104 to 106 detail the staging of Defense Department films. Pages 72 to 76 discusses public information handouts on GI's. References to equipment demonstrations are made on page 77 and other places throughout the book. On pages 38 to 42 references are made to the traveling colonels.

So what we have it not a spontaneous documentary but simply a film version of a book written with obvious bias against America's Defense Establishment The fairness doctrine was trampled under a stampede of prejudiced viewpoint. Editing was carefully done to assure that not hint of equality was allowed to remain.

Mr. Speaker, CBS has refused the Congress when asked to present material used in this documentary. It seems that CBS officials consider themselves above the law, above the Government, and above responsibility in presentation of broadcasts to the public.

There is factual evidence that CBS "doctored" other documentaries to express a prefixed point of view, not to give an evenhanded account.

Since network TV is a monopoly by Federal permission, it must necessarily be accompanied by a responsibility that justifies the privilege. It will no longer suffice for TV executives to issue statements viewing with alarm an attack on "freedom of the press" when they are caught in manipulation of the news. The Congress demands more than that, and

the American people demand more than that.

We are not talking about suppression of the news, we are talking about opening up the news channels to full, unbiased presentation of facts as they are, not as some TV editor would wish to present them.

I believe that CBS has committed a serious breach of faith with the American people, and that Congress must fulfill its responsibility by conducting a full, fair, and thorough investigation into what kind of editing was done to put together this "documentary" and others purporting to explore fully a current domestic or foreign policy scene.

Perhaps a woman, who recently wrote the Wall Street Journal, summed up the viewpoint of most Americans on TV network handling of the news. She said:

> CBS certainly is entitled to its own bias, just as you and Vice President Agnew and I are. Clearly, though, they don't have any right to masquerade that bias as "The Evening News" nor do they have any right to rechristen it "A Documentary."

ANNOUNCEMENT OF SUBCOMMITTEE HEARINGS, THE NATIONAL LABOR RELATIONS BOARD AND THE LABOR-MANAGEMENT RELATIONS ACT

(Mr. THOMPSON of New Jersey asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. THOMPSON of New Jersey. Mr. Speaker, on May 6, 1971, the Special Subcommittee on Labor will begin hearings on H.R. 7152, a bill to expedite the processes of the National Labor Relations Board and strengthen the remedies available under the Labor-Management Relations Act.

H.R. 7152 proposes that the Board be authorized to delegate to trial examiners in unfair labor practice cases the power to make final decisions subject to a discretionary review by the Board; that the orders of the Board shall be "self-enforcing" unless notice of appeal is filed with an appropriate court within forty-five days; and further provides that a victim of a discriminatory discharge under section 8(a)(3) or 8(b)(2) of the act may sue for treble the damages by him sustained.

In addition to considering the merits of H.R. 7152, these hearings will mark the beginning of a comprehensive legislative review of the Labor-Management Relations Act by the subcommittee during this session.

No in-depth review of the operation of the act has been conducted by the House since 1961. Now we see rising concern about the Board's caseload problems, the long delays involved in getting through the Board and court processes, and the alleged inadequacy of some of the remedies available under the act.

We plan to study the Board's processes and certain of the act's remedies during this series of hearings, and move on to a study of the Board's jurisdiction during the fall. I hope our study will enable the House to reach some conclusions on whether the act is achieving its purpose of fairly maintaining industrial peace, and whether changes must be made to that we can better reach that goal.

ANNOUNCEMENT OF SUBCOMMITTEE HEARINGS—PROPOSED AMENDMENT OF THE LABOR-MANAGEMENT RELATIONS ACT

(Mr. THOMPSON of New Jersey asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. THOMPSON of New Jersey. Mr. Speaker, on May 10, 1971, the Special Subcommittee on Labor will hold hearings on H.R. 6195, a bill to amend section 302(c) of the Labor-Management Relations Act to permit employer contributions to trust funds established to finance joint industry promotional programs.

The bill applies only to employers in the construction industry. Similar legislation has been introduced by the gentleman from Illinois (Mr. PUCINSKI) and the gentleman from Kentucky (Mr. PERKINS).

The trust funds that would be authorized by this bill would be administered by equal numbers of representatives of employers and employees, and their sole purpose would be to finance the promotion of products used in the construction industry. The funds would be involved in areas such as public relations, research and development, market development, and publication of technical information about the product.

They would be financed by employers through contributions arrived at in collective bargaining agreements on an agreed upon "cents per hour, per employee" basis. Bargaining over the establishment of such a fund would be permissive; that is, a refusal to bargain on this issue would not be an unfair labor practice. The bill contains special provisions to protect the fiscal integrity of the funds.

The bill is narrowly drawn to cover only product promotion programs in the construction industry. It does not affect so-called industry advancement programs that are unilaterally administered by management.

We expect to have several witnesses from labor and management testifying on the bill, and would be happy to hear any of our colleagues who wish to testify.

A 6-FOOT HIGH BOARD FENCE

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

Mr. VANIK. Mr. Speaker, today, workmen are constructing a 6-foot high board fence on the West Front of the Capitol.

I regret to see this happen.

Nothing desecrates the Capitol so much as a fence which seeks to separate it from its people.

THE VUITCH DECISION OUTRAGE AGAINST WOMEN

(Mrs. ABZUG asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

Mrs. ABZUG. Mr. Speaker, yesterday the U.S. Supreme Court handed down a decision which is an outrage against women. By a 5-to-2 vote, the Court reversed an earlier decision of the U.S. district court and upheld a District of Columbia abortion law which says, in effect, that pregnant women may not decide for themselves whether to have an abortion.

Some may say—as Dr. Vuitch, the defendant in this case, himself said—that the Court's decision was proper, that having an abortion is a medical matter, and that only a doctor may decide—but I say a woman herself is entitled to decide whether she will have a baby, and no doctor may make that decision for her.

This Supreme Court ruling gives doctors—94 percent of whom are men—the right to impose moral standards on a woman's life. It lets a doctor refuse an abortion simply on the grounds that in his judgment a woman's "mental health" does not justify it. It says that if a woman chooses not to have a baby, she must be mentally sick.

I believe that this outrageous Supreme Court decision only confirms our need to have more women judges and women legislators sitting in positions of power on the decisionmaking bodies of this country. Surely a woman Justice, with any sense of the agony of bearing an unwanted child, with any understanding of the right of women to control their own bodies, would not have voted here with the majority. Until we have women representing women where decisions like this are made I fear that women's rights will continue to be disregarded. I deplore the Vuitch decision and consider it a legal step backward for all of us.

NIX BILL INTRODUCED TO PROTECT THE BASIC LIVING WAGE INCOME OF RETIRED FEDERAL EMPLOYEES FROM THE FEDERAL INCOME TAX

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

Mr. NIX. Mr. Speaker, I will today introduce a bill that will, upon enactment, provide that the first $5,000 of an individual's civil service retirement be excluded from the gross income of such individual's Federal tax computation. This is a matter of justice, Mr. Speaker.

Social security payments and railroad retirement annuities are tax exempt. This would merely exempt the first $5,000 of gross income from Federal tax liability. As such, it is a compromise measure.

Mr. Speaker, I believe that we should not penalize the Federal Government's own employees for being part of its retirement system rather than the social security or railroad retirement system. Because of a severe inflation caused by

war, Federal employees have lost much of the value of their pensions, even though in recent years we have passed legislation to rectify this situation with cost-of-living increases. This is only half the problem, however. In order to retain present employees we have raised salaries, thus raising the pensions of present employees while at the same time not adjusting the retirement pay of former employees. This has created a hardship.

It seems to me that the least we can do at the present time is give some minimal tax relief to retired Federal employees. The tax loss would be small but the gain for these employees would be an important one. I do not believe that the minimum income necessary to sustain life should be taxable. This bill in extending that principle to Federal employees will be a long-needed step in the right direction.

NIX BILL INTRODUCED TO PAY FOR PRESCRIPTION DRUGS AND OTHER COSTS FOR THOSE SERVED BY MEDICARE

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

Mr. NIX. Mr. Speaker, one of the outstanding problems in our Nation is the way that we neglect the elderly.

We do take half measures. We have enacted a medical care program as part of the Social Security Act. But, we have left out of that legislation coverage for expenses resulting from the purchase of prescription drugs, hearing aids, eye examinations, glasses, dental care, and the service of chiropractors.

These are the very items which drain the income of those who have retired or who depend on their social security system.

We in the Congress have in the past and at present taken great interest in a crusade against poverty. At the same time, one third of the poor are the aged. It is these people who need practical help, not advice from administrators or so-called community involvement projects.

I believe that the bill I am introducing today is part of the answer. It would make expenses resulting from the purchase of prescription drugs, dental care, eye care, and the services of chiropractors subject to payment by the Federal Government under the Social Security Act.

I believe that the passage of the Social Security Act in the 1930's was a first step in the right direction. The social security system has great promise and it is a promise that must be fulfilled. The legislation I have introduced here will fulfill that promise.

A BILL RELATING TO NATIONAL GUARD CIVILIAN EMPLOYEES, APRIL 21, 1971

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

Mr. HANLEY. Mr. Speaker, the need for corrective legislation concerning National Guard civilian employees has been a concern of mine for many years. Some equity for this group of 42,000 Federal employees was gained in 1968 when the Congress passed the "National Guard Technician Act of 1968" and rewarded this group of dedicated servants with partial credit for their decades of past service. However, legitimate concern with this 42,000-member civil employee group remains with us because of the unique circumstance of their employment and because of the imbalance between normal Civil Service and the demands put upon this group that deprive them of secure careers and rational employment qualifications.

In this day of military draft controversy, we find that National Guard civilian employees have a continuing military service requirement to keep their jobs that can place service obligations of up to 42 years upon them. We find 50-year-old men forced to continue the physically demanding role of field combat soldiers to retain their civilian administrative jobs. We hear of men in dire fear of military physicals because failure to pass would terminate their civilian career. We find employees with retirement service requirements in their civilian employment that do not meet the military standards and with little or no recourse to other Federal employment because of their "excepted" status. We find a system that rewards the attainment of military rank or grade with civilian employment potentials but disregards the standards of a civil merit system with its criteria of education, talent, and experience. We find a civilian employment field at odds with almost all Civil Service Commission standards.

This legislation I am introducing endeavors to equitably bridge the gap between military and civilian standards by:

First. Allowing a National Guard employee who has completed 20 years of service, and who is honorably separated from his military position, to continue in employment for the National Guard if otherwise qualified.

Second. Allowing the National Guard employee with more than 10 years of service to continue in employment in the event he does not pass a military physical if he is otherwise qualified.

Third. Eliminate military grade as a qualification for civilian employment or promotion which would serve to establish merit standards for men, or women, that compare with other Federal employment.

My years of interest and concern have brought me into contact with hundreds of these National Guard employees and I have their interest at heart when I propose this legislation. The Association of Civilian Technicians, long active in this area, have advised us on this legislation and the needs of these 42,000 employees. I am convinced of the need of this legislation to provide a degree of equity for theme dedicated employees and to reward them with security of career in return for loyalty of service.

The National Guard itself can ill afford to lose the talents of this group of dedicated employees and should welcome this opportunity to keep skilled and experienced employees in the fold.

POW SURVEY BY FORT HUNT JUNIOR CIVITANS

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

Mr. ZION. Mr. Speaker, I rise to call attention to the activities of the students of Fort Hunt High School, Alexandria, Va., in behalf of our prisoners of war.

These students, under the direction of Paula Lewis, Randy Manner, and Mark Peifer collected 4,932 letters and petitions to be sent to the North Vietnamese, Vietcong, and Pathet Lao.

In addition they conducted a survey of House and Senate Members on the prisoner question.

The results of the survey follows:

FORT HUNT JUNIOR CIVITAN'S POW SURVEY AS OF MAR. 19, 1971

Number of responses:	
Senate	16
Congress	67
Total	83
No reply to questionnaire	23
Sent own literature	30

Questions	Yes	No	No comment
1. Would you support a bill that would provide for certain percentage of American troops withdrawn, the same percentage of POW's would then be released?	15	23	16
2. Were you in favor of the futile military attempt to free American POW's at Son Tay?	41	9	4
3. Would you support another action similar in purpose to the one last year?	32	7	10
4. Do you feel that the POW issue is a political problem, 39; military problem, 30; other 19?			
5. Do you support Operation Hundred Tons, sponsored by the National League of Families of POW's and MIA's did any good in pressuring the NVN envoys in Paris?	35	11	9
6. Do you feel that American POW's are being fairly treated by the NVN?	1	46	5
7. Do you feel that the letters sent to NVN did any good?	44	8	2
8. Do you know of any legislation now in Congress that concerns POW's and MIA's?	38	2	19
9. Are you active in supporting the POW issue?	51	2	0
10. What must be done to end the war; pull out, 16; talk, 25; no comment, 13			
11. When will the war end?			
1970	0		
1971	1		
1972	11		
1973	3		
1975	1		
1976	1		
1990	1		
2001	1		
????	35		

TAKE PRIDE IN AMERICA

(Mr. MILLER of Ohio asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MILLER of Ohio. Mr. Speaker, today we should take note of America's great accomplishments and in so doing renew our faith and confidence in ourselves as individuals and as a nation.

More than 42 million people visit the national parks each year, and more than 150 million stop at some National Park Service area. That is more than a twofold increase in a single decade.

LEST WE FORGET

(Mr. MILLER of Ohio asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MILLER of Ohio. Mr. Speaker, in a land of progress and prosperity, it is often easy to assume an "out-of-sight, out-of-mind" attitude about matters which are not consistently brought to our attention. The fact exists that today more than 1,550 American servicemen are listed as prisoners or missing in Southeast Asia. The wives, children, and parents of these men have not forgotten, and I would hope that my colleagues in Congress and our countrymen across America will not neglect the fact that all men are not free for as long as one of our number is enslaved.

Sp4c. John E. Conger, Jr., U.S. Army, [redacted] Lebanon, Ohio. Single. The son of Mr. and Mrs. John E. Conger, Sr., Lebanon, Ohio. Graduate of Lebanon High School. Officially listed as missing January 27, 1969. As of today Specialist Fourth Class Conger has been missing in action in Southeast Asia for 815 days.

WE MUST GET OUT

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

Mr. GUDE. Mr. Speaker, among the many troubled by the tragedy of Vietnam, those who meet our young people in the classrooms and work with them on campus have been in the forefront.

I have received many letters supporting the efforts of those of us who are asking our colleagues to pledge to "work and vote for responsible legislation during the current session" that would lead to an American withdrawal from Indochina.

Among those letters was one from George H. Williams. It was written and signed as an individual, but you will recognize the name as that of the president of American University, one of the most distinguished private institutions in the United States. The letter said:

DEAR MR. GUDE: I applaud and support your continuing efforts and particularly your leadership in recent weeks to accelerate withdrawal of all American military forces from Indochina this year.

In writing to you, I do so as an individual in no way reflecting an institutional position or intending to speak on behalf of any of my colleagues. It is, however, because of my position that I may with special sensitivity reflect the concerns of many of our young people. They are encouraged by the scheduled acceleration of troop withdrawal; but they are not satisfied, and will not be, until an early date certain for full withdrawal is established by the Congress and its implementation assured by necessary legislative action. Past disenchantments with what appeared to be disengagement from this tragic war have dissuaded many young people from accepting vague assurances that it was being "wound down" as fast as possible. They see this as of little help to the soldier or civilian who is killed or crippled with the distinction of being a casualty-statistic showing one week as somehow "better" than the week before.

Young people and increasingly most people in America have come to realize, as some of us did earlier, that we must get out; and the commitment to do so must be reinforced by setting a date now, preferably not later than December 31, 1971.

So much remains to be done to effect the quality of life, rather than the quantity of death, that all of us, whether as individual citizens or as public leaders, must keep that idea central in our thinking. I commend you as I shall others who have given strong, visible leadership to a position of such critical importance.

Very sincerely yours,

GEORGE H. WILLIAMS.

MUSTANG ASSOCIATION

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

Mr. GUDE. Mr. Speaker, no cause—no matter how good—is free from difficulty. It is hard to prevent this, especially when large sums of money are involved.

As the sponsor of legislation that would require the Secretary of the Interior to protect the wild horses of the American West, I have received hundreds of letters of support from young people. Many of the letters were full of love for horses—and some said that the writers were not only circulating petitions on behalf of the mustang protection bill, but were also collecting funds for the National Mustang Association, which has advertised nationally for money to buy lands for wild horses and has been associated, in some minds, with the legislation I have sponsored.

Many members of the National Mustang Association have worked hard on behalf of wild horses—digging water holes for the horses, for example. But I must also inform the Congress, and the Nation, that the National Mustang Association is in difficulty. Without prejudging the internal controversy nor the persons involved and their views, I am placing in the RECORD a letter from some officials of the organization.

If we remember that considerable amounts of money are involved, that these have been contributed by children as well as adults in the hope of aiding wild horses that were not being adequately protected by the Government, and that lands already under Federal ownership can be used to help the horses without the private purchase of special ranches, we should be further encouraged to approve wild horse protective legislation.

Here is the letter:

During the past years, much has been written about the Mustang. A wild horse "born free" on the open range. It has become apparent from recent news items that the public is very much concerned about the diminishing herds that roam the public lands. This concern has been brought by the relentless efforts of persons like Mrs. Velma (Wild Horse Annie) Johnston, who has been fighting for the mustang for some 20 years.

On January 13, 1965 an organization called the National Mustang Assn. was founded. The president: Tom Holland of Newcastle, Utah. The purpose: to preserve & protect the rapidly vanishing part of early America, the mustang. This group is a non-profit organization, with no officer or director to receive any compensation for services rendered. (With the possible exception of the secretary). This group had its problems, and after getting off to a slow start, was practically at a stand still until two years ago when its President, Tom Holland, was employed by the Gates Rubber Co. leaving most of the duties to the Las Vegas and the Hillsboro, Ohio Chapters of the N.M.A.

The Las Vegas Chapter began building up a volunteer work force to practice the kind of program that it was organized for. During the past two years here in Nev. the program was a success. One of the problems facing the National Mustang Assn. was what to do with the mustangs that were removed from ranges where they were no longer wanted. The answer: a large holding ranch.

While the majority of the N.M.A. members were discussing this new idea, the President of the N.M.A., Tom Holland, acting on his own, made a broadcast from Station W.O.R. in New York City that he was buying the 302 sq. mile Emery Conway Ranch in Caliente, Nevada. Although the public responded to his request for funds, the deal fell through. Again, without proper authorization, he paid for an option to buy another ranch in the Caliente area. Again it was no deal, as he was paying several times more than the ranch was worth.

Although thousands of dollars were received from the public, it was spent by the N.M.A. President without proper authorization. At this time, the Las Vegas Chapter and the Hillsboro, Ohio Chapter contacted the owner of a large ranch near Caliente, Nev. A ranch was secured and an option was paid, and the N.M.A. had possession of their ranch. As funds were needed, not only to pay for the ranch, but also for building, sanitation, roads, power, etc. the Las Vegas Chapter contacted the firm of Stuart A. Schwalbe & Associates of San Francisco, California, who agreed to help us. The president of the N.M.A. was notified and it was agreed by the Las Vegas Chapter and the N.M.A. President that the funds would go into a special ranch fund. However, the N.M.A. President, without the consent of the rest of the N.M.A. changed the mailing address. In order to safeguard the public funds now being received from the new campaign, the officers, and board members of the Las Vegas Chapter authorized the changing of the mailing address to: *Mustang Special Fund* Nat'l. Mustang Assn. Inc. Dept. 1A Box 293 Caliente, Nev. 89008, with the money now going into a special bank account to be used to buy the ranch that the public donated it for.

Walter E. Clutts, President, Las Vegas Chapter; John McCormack, President, Ohio Chapter; Ellis LeFevre, Vice President, Las Vegas Chapter; Carlos Black, Board Member; Richard Baker, Board Member; John Fine, Board Member; Jerry Hughes, Board Member.

RELEASE OF PRISONERS IN NORTH VIETNAM

(Mr. TERRY asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. TERRY. Mr. Speaker, in Wednesday's Washington Evening Star, an Associated Press story reported the statements of a North Vietnamese spokesman, Nguyen Thahn Le, that Hanoi has no intention of dragging out the release of the prisoners once a date for total withdrawal has been set by President Nixon.

The Communist spokesman stated that Hanoi had shown good faith with the French, and it had a long history of keeping its commitments.

Mr. Speaker, the history of our negotiations with the North have been anything but examples of Hanoi's good faith. We were told that cessation of the bombing would bring a halt to the war nearly 3 years ago. However, the North only used this act of good faith by the United States to rebuild their forces in the South, in Laos and Cambodia.

Their general conduct at the Paris negotiations has been characterized by polemics and misrepresentations of the truth. They have shown little interest in serious negotiations and have offered little which is negotiable.

The status of our prisoners is more complex than the broad brush statements of the North Vietnamese spokesman. Hanoi has denied any knowledge of more than a thousand men listed as missing in South Vietnam, Laos, and Cambodia. Now surely they cannot believe that the American people are going to accept such an indiscriminate disregard for the truth.

In March, Congress commemorated the prisoners and missing by officially declaring a National Week of Concern. The response was tremendous from all parts of the Nation.

One of the reasons for that week was to remind this country of the poor treatment being afforded our men in prison in North Vietnam. Now our adversaries would like everyone to believe that there never has been any mistreatment of our prisoners and that the Hanoi government has been completely above board in their dealings with the United States on the prisoners. This convenient differentiation between what they are doing and what they are saying has unfortunately convinced some Americans that our own leaders are not responsive to the Hanoi proposals.

Mr. Speaker, those who do not learn from the past are doomed to relive the mistakes of the past. We must remain strong in our resolve to gain release of the prisoners in North Vietnam on terms which will guarantee a full disclosure of all the men who are imprisoned and the status of those listed as missing.

FOREIGN POLICY IS RESPONSIBILITY OF PRESIDENT

(Mr. DEVINE asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. DEVINE. Mr. Speaker, the foreign policy of the United States has traditionally been, and is today, primarily the responsibility of the President. Our foreign policy would dissolve into chaos if it is allowed to be made in the streets.

President Nixon's Indochina policy is based on sound, pragmatic solutions to our military withdrawal from South Vietnam. It is the only practical way for America to honor our national commitment and phase out the inherited war in Vietnam.

The President must consider many factors in his decisions on how we are to leave Asia. We have the welfare of the South Vietnamese people to consider, their ability to have a free choice after we withdraw. The President's program is based on the premise that they must defend themselves in the future, and that we must withdraw at a rate that will permit them to build their own defenses. Vietnamization is an honorable and successful answer to our commitment to the defense of freedom in Asia.

The President has the prisoner-of-war issue to weigh in with his military decisions. All Americans, I am sure, are desirous that negotiations begin at once to return our POW's as our withdrawal from combat operations accelerates.

The stability of the South Vietnamese Government, and the economic future of the country must be considered, for an impoverished South Vietnam could fall prey to Communist ideologies as readily as a weak South Vietnamese military establishment could be victimized by Vietcong forces.

The President has taken the many factors into consideration. He has comprehensive knowledge that the man on the street cannot possibly have. He has moved decisively, and has a definite program in progress to halt our combat involvement. He deserves and needs the backing of every patriotic American. The issue today cannot be whether or not the Democratic Party should have gotten us into the war in the first place. The issue today is whether or not the Democratic Party is going to have enough principle to follow through and honor its own decisions, by backing the efforts of our present President to secure a just and honorable peace in Asia.

Emotional demonstrations, which I regret some members of the Democratic Party have helped organize, and have fanned into greater outbursts, are based on frenzy and political headline hunting. They do a disservice to the President, and to the honor of our Nation.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. HOSMER (at the request of Mr. GERALD R. FORD), for the balance of the week, on account of official business.

Mr. FLYNT (at the request of Mr. BIAGGI), for Thursday, April 22, 1971, on account of official business.

Mr. PEYSER (at the request of Mr. GERALD R. FORD), on account of official business.

Mr. SAYLOR (at the request of Mr. GERALD R. FORD), for the balance of week, on account of committee business.

Mr. MATHIS of Georgia (at the request of Mr. BOGGS), for Thursday, April 22 and Friday, April 23, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. COLLIER, for 30 minutes, on May 10.

Mr. SEIBERLING, today, for 30 minutes, and to revise and extend his remarks and to include extraneous matter.

Mr. GONZALEZ, today, for 15 minutes, and to revise and extend his remarks and to include extraneous matter.

Mr. RANDALL, for 30 minutes, today, and to revise and extend his remarks and include extraneous matter.

(The following Members (at the request of Mr. MCKEVITT) to address the House and to revise and extend their marks and include extraneous matter:)

Mr. BETTS, for 1 hour, on May 6.

Mr. CONTE, for 15 minutes, today.

Mr. SCHWENGEL, for 30 minutes, on April 26.

Mr. SCHWENGEL, for 30 minutes, on April 27.

Mr. ANDERSON of Illinois, for 30 minutes, today.

Mr. MCKEVITT, for 5 minutes, today.

Mr. HUNT, for 5 minutes, today.

(The following Members (at the request of Mr. GONZALEZ) to address the House and to revise and extend their remarks and to include extraneous matter:)

Mr. DANIELSON, for 5 minutes, today.

Mr. DENT, for 15 minutes, today.

Mr. RARICK, for 15 minutes, today.

Mr. SIKES, for 60 minutes, today.

Mr. BURKE of Massachusetts, for 10 minutes, today.

Mr. STUCKEY, for 10 minutes, today.

Mr. ASPIN, for 20 minutes, today.

Mr. RODINO, for 10 minutes, today.

Mr. RANGEL, for 15 minutes, April 27.

Mr. BADILLO, for 30 minutes, on April 28.

Mr. SIKES, for 60 minutes, on May 5.

(The following Members (at the request of Mr. VANIK), to revise and extend their remarks and include extraneous matter:)

Mr. DULSKI, for 10 minutes, today.

Mr. FRASER, for 60 minutes, April 26.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. PASSMAN, and to include extraneous material.

Mr. GRAY, and to include extraneous matter in two instances.

Mr. JONES of Alabama to revise and extend his remarks made today in the Committee of the Whole.

Mr. MADDEN to extend his remarks in the RECORD after the vote on the public works bill.

Mr. VANIK to extend his remarks on the subject of special order by Mr. SEIBERLING and to include extraneous matter.

(The following Members (at the request of Mr. McKEVITT) and to include extraneous matter:)

Mr. RAILSBACK.
Mr. THONE.
Mr. FISH in two instances.
Mr. QUIE.
Mr. BURKE of Florida in four instances.
Mr. TERRY in two instances.
Mr. ROBISON of New York in two instances.
Mr. GROVER.
Mr. PELLY in two instances.
Mr. WYMAN in two instances.
Mr. ASHBROOK in two instances.
Mr. HOSMER in three instances.
Mr. SCHMITZ in four instances.
Mr. DUPONT.
Mr. STEIGER of Wisconsin in three instances.
Mr. LUJAN.
Mr. REID of New York in two instances.
Mr. GOLDWATER in three instances.
Mr. GROSS.
Mr. COLLIER in five instances.
Mr. MCCLORY.
Mr. NELSEN.
Mr. HARSHA.
Mr. PRICE of Texas.
Mr. SCHWENGEL in two instances.

(The following Members (at the request of Mr. GONZALEZ) and to include extraneous matter:)

Mr. BADILLO in five instances.
Mr. BEGICH.
Mr. BOLLING.
Mr. DINGELL in three instances.
Mr. CORMAN in two instances.
Mr. PRYOR of Arkansas.
Mr. MILLER of California.
Mr. RARICK in three instances.
Mr. WALDIE in two instances.
Mr. PEPPER.
Mr. GONZALEZ in two instances.
Mr. BURKE of Massachusetts.
Mr. GIBBONS in two instances.
Mr. MIKVA in six instances.
Mr. VANIK in two instances.
Mr. ADAMS.
Mr. RYAN in five instances.
Mr. KLUCZYNSKI in two instances.
Mr. FOUNTAIN in two instances.
Mr. ANDERSON of California in two instances.
Mr. STOKES.
Mr. HAWKINS in two instances.
Mr. DANIELSON.
Mr. BRINKLEY in two instances.
Mr. MOLLOHAN in five instances.
Mr. SCHEUER in three instances.
Mr. REES.
Mr. BINGHAM.
Mr. COTTER in five instances.
Mr. TEAGUE of Texas in six instances.
Mr. FRASER in six instances.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 230. An act to authorize the U.S. District Court for the Northern District of West Virginia to hold court at Morgantown; to the Committee on the Judiciary.

ADJOURNMENT

Mr. VANIK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 34 minutes p.m.), under its previous order, the House adjourned until Monday, April 26, 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:

615. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriation for the Canal Zone Government for "Operating expenses," for fiscal year 1971, has been further reapportioned on a basis indicating a need for a supplemental estimate of appropriation, pursuant to 31 U.S.C 665; to the Committee on Appropriations.

616. A letter from the Secretary of Defense, transmitting the 1970 Annual Report of the Office of Civil Defense, pursuant to section 406 of the Federal Civil Defense Act of 1950; to the Committee on Armed Services.

617. A letter from the Assistant Administrator of General Services, transmitting a draft of proposed legislation to amend the Federal Property and Administrative Services Act of 1949, as amended, to authorize the Administrator of General Services to enter into contracts for janitorial services, trash removal, and similar services in federally owned and leased properties for periods not to exceed 3 years, and for other purposes; to the Committee on Government Operations.

618. A letter from the Secretary of the Interior, transmitting a draft of proposed legislation to terminate and to direct the Secretary of the Interior and the Secretary of the Navy to take action with respect to certain leases issued pursuant to the Outer Continental Shelf Lands Act in the Santa Barbara Channel, offshore of the State of California; to explore Naval Petroleum Reserve No. 4, and for other purposes; to the Committee on Interior and Insular Affairs.

619. A letter from the Chairman, Indian Claims Commission, transmitting a report on the final conclusion of judicial proceedings in docket No. 236–H, *Gila River Pima-Maricopa Indian Community, etc., Plaintiff* v. *the United States of America, Defendant*, pursuant to 60 Stat. 1055; to the Committee on Interior and Insular Affairs.

620. A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to increase the security and protection of imported merchandise and merchandise for export at ports of entry in the United States from loss or damage as a result of criminal and corrupt practices, and for other purposes; to the Committee on Ways and Means.

RECEIVED FROM THE COMPTROLLER GENERAL

621. A letter from the Comptroller General of the United States, transmitting a report that the financial feasibility of rural water and sewer systems should be checked more thoroughly by the Farmers Home Administration, Department of Agriculture; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MILLER of California: Committee on Science and Astronautics. H.R. 7109. A bill to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes; (Rept. No. 92–143). Referred to the Committee of the Whole House on the State of the Union.

Mr. MAHON: Committee on Appropriations. House Joint Resolution 567. Joint resolution making certain urgent supplemental appropriations for the fiscal year 1971, and for other purposes; (Rept. No. 92–144). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOLIFIELD: Committee on Government Operations. H.R. 4848. A bill to amend the act of November 26, 1969, to provide for an extension of the date on which the Commission on Government Procurement shall submit its final report; (Rept. No. 92–145). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOLIFIELD: Committee on Government Operations. H.R. 6283. A bill to extend the period within which the President may transmit to Congress reorganization plans concerning agencies of the executive branch of the Federal Government, and for other purposes; (Rept. No. 92–146). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 1100. A bill to provide for the disposition of funds appropriated to pay a judgment in favor of the Grand River Band of Ottawa Indians in Indian Claims Commission docket No. 40–K, and for other purposes; with amendments (Rept. No. 92–147). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 1444. A bill to provide for the disposition of funds appropriated to pay judgments in favor of the Snohomish Tribe in Indian Claims Commission docket No. 125, the Upper Skagit Tribe in Indian Claims Commission docket No. 92, and the Snoqualmie and Skykomish Tribes in Indian Claims Commission docket No. 93, and for other purposes; with an amendment (Rept. No. 92–148). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 4353. A bill to provide for the disposition of funds appropriated to pay certain judgments in favor of the Iowa Tribes of Oklahoma and of Kansas and Nebraska; with amendments (Rept. No. 92–149). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 6072. A bill to provide for the disposition of funds appropriated to pay a judgment in favor of the Pembina Band of Chippewa Indians in Indian Claims Commission dockets Nos. 18–A, 113, and 191, and for other purposes; (Rept. No. 92–150). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 6797. A bill to provide for the disposition of funds appropriated to pay judgments in favor of the Kickapoo Indians of Kansas and Oklahoma in Indian Claims Commission dockets Nos. 316, 316–A, 317, 145, 193, and 318; with amendments (Rept. No. 92–151). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BRASCO:

H.R. 7647. A bill to amend subchapter III of chapter 83 of title 5, United States Code, relating to civil service retirement, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BROWN of Ohio:

H.R. 7648. A bill to authorize the establishment of the Cedar Swamp National Monument, Ohio, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. CLANCY:

H.R. 7649. A bill to prohibit the use of interstate facilities, including the mails, for the transportation of certain materials to minors; to the Committee on the Judiciary.

H.R. 7650. A bill to prohibit the use of interstate facilities, including the mails, for the transportation of salacious advertising; to the Committee on the Judiciary.

H.R. 7651. A bill to amend section 1257 of title 28, United States Code, to provide that the Supreme Court shall not have jurisdiction to review a State court final judgment or decree that an act or publication is obscene; to the Committee on the Judiciary.

By Mr. CORMAN:

H.R. 7652. A bill to amend the Tariff Schedules of the United States to suspend the duty on certain aircraft components; to the Committee on Ways and Means.

By Mr. DINGELL:

H.R. 7653. A bill to require the furnishing of documentation of claims concerning safety, performance, efficacy, characteristics, and comparative price of advertised products and services; to the Committee on Interstate and Foreign Commerce.

By Mrs. GRASSO:

H.R. 7654. A bill to amend the Public Health Service Act to provide for the establishment of a National Sickle Cell Anemia Institute; to the Committee on Interstate and Foreign Commerce.

By Mr. GUDE:

H.R. 7655. A bill to amend the Public Health Service Act to continue and broaden eligibility of schools of nursing for financial assistance, to improve the quality of such schools, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. KOCH (for himself, Mr. ABOUREZK, Mr. ANNUNZIO, Mr. CLEVELAND, Mr. FULTON of Pennsylvania, Mr. GUBSER, Mr. HORTON, Mr. MAZZOLI, Mr. RARICK, Mr. RODINO, and Mr. WHALEN):

H.R. 7656. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; to the Committee on Ways and Means.

By Mr. KOCH (for himself, Mr. CELLER, Mr. CAREY of New York, Mr. RYAN, Mr. ADDABBO, Mr. SCHEUER, Mr. BRASCO, Mrs. ABZUG, and Mr. BADILLO):

H.R. 7657. A bill to amend title V of the Social Security Act to extend for 5 years (until June 30, 1977) the period within which certain special project grants may be made thereunder; to the Committee on Ways and Means.

By Mr. MICHEL (for himself, Mr. BAKER, Mr. GIAIMO, Mr. GIBBONS, Mr. HICKS of Washington, Mr. J. WILLIAM STANTON, Mr. ULLMAN, and Mr. WHITEHURST):

H.R. 7658. A bill to provide that the fiscal year of the United States shall coincide with the calendar year; to the Committee on Government Operations.

By Mr. MIKVA:

H.R. 7659. A bill to extend the maximum educational benefits for veterans to 54 months; to the Committee on Veterans' Affairs.

H.R. 7660. A bill to amend title II of the Social Security Act to provide that an insured individual may retire and receive full old-age insurance benefits, without regard to his age, after he has worked in covered employment or self-employment for 40 years; to the Committee on Ways and Means.

By Mrs. MINK:

H.R. 7661. A bill to include papayas within the list of imported commodities to which certain restrictions apply if the Secretary of Agriculture issues marketing orders with respect to like commodities domestically produced; to the Committee on Agriculture.

H.R. 7662. A bill to authorize appropriations to carry out the International Education Act of 1966; to the Committee on Education and Labor.

By Mr. NIX:

H.R. 7663. A bill to amend title XVII of the Social Security Act to provide coverage under the supplementary medical insurance program for prescription drugs, hearing aids, eye examinations, glasses, and treatment, dental care, and the services of chiropractors; to the Committee on Ways and Means.

H.R. 7664. A bill to amend the Internal Revenue Code of 1954 to provide that the first $5,000 each year of an individual's civil service retirement annuity (or other Federal retirement annuity) shall be exempt from income tax; to the Committee on Ways and Means.

By Mr. RAILSBACK (for himself, Mr. ABERNETHY, Mr. BEVILL, Mr. BROWN of Michigan, Mr. BURTON, Mr. BYRNE of Pennsylvania, Mr. CLEVELAND, Mr. CONABLE, Mr. CÓRDOVA, Mr. DOW, Mr. DICKINSON, Mr. ERLENBORN, Mr. FINDLEY, Mr. FLOWERS, Mr. FORSYTHE, Mr. FRENZEL, Mr. FREY, Mr. HALPERN, Mr. HANSEN of Idaho, Mr. HUNGATE, Mr. JONES of North Carolina, Mr. KEMP, Mr. LENNON, Mr. MCKINNEY, and Mr. MATHIS of Georgia):

H.R. 7665. A bill to amend title 28, United States Code, to prohibit Federal judges from receiving compensation other than for the performance of their judicial duties, except in certain instances, and to provide for the disclosure of certain financial information; to the Committee on the Judiciary.

By Mr. ST GERMAIN:

H.R. 7666. A bill: National Public Employee Relations Act; to the Committee on Education and Labor.

By Mr. JAMES V. STANTON (for himself and Mr. HORTON):

H.R. 7667. A bill to provide maternity benefits for pregnant wives of certain former servicemen; to the Committee on Armed Services.

By Mr. TEAGUE of Texas (by request):

H.R. 7668. A bill to amend chapter 35 of title 38, United States Code, so as to provide educational assistance at secondary school level to eligible widows and wives, without charge to any period of entitlement the wife or widow may have pursuant to sections 1710 and 1711 of this chapter; to the Committee on Veterans' Affairs.

H.R. 7669. A bill to amend subsection (d) (1) of section 3203, title 38, United States Code, to provide that where any veteran having neither wife nor child is being furnished hospital treatment, institutional, or domiciliary care by the Veterans' Administration, no pension in excess of $40 per month shall be paid to or for the veteran for any period after (a) the end of the second full calendar month following the month of admission for treatment or care or (b) readmission for treatment or care within 6 months following termination of a period of treatment or care of not less than 2 full calendar months; to the Committee on Veterans' Affairs.

H.R. 7670. A bill to amend title 38, United States Code, to provide a special allowance of $55 per month to a child or dependent parent who is (1) a patient in a nursing home or (2) helpless or blind or so nearly helpless or blind as to need or require the regular aid and attendance of another person; to the Committee on Veterans' Affairs.

H.R. 7671. A bill to amend subsection (a) of section 3102 of title 38, United States Code, so as to liberalize the Veterans' Administration procedures for the waiver of recovery of overpayments; to the Committee on Veterans' Affairs.

H.R. 7672. A bill to amend chapter 39 of title 38, United States Code, to provide the same eligibility criteria for Vietnam era veterans as is applicable to veterans of World War II and the Korean conflict; to the Committee on Veterans' Affairs.

By Mr. VANIK (for himself, Mr. SEIBERLING, Mr. BOW, Mr. ASHBROOK, Mr. BROWN of Ohio, Mr. HAYS, Mr. KEATING, Mr. MINSHALL, Mr. POWELL, Mr. JAMES V. STANTON, Mr. STOKES, Mr. DINGELL, Mr. NEDZI, Mr. DENT, Mr. MOORHEAD, Mr. NIX, Mr. VIGORITO, Mr. WILLIAMS, Mr. HECHLER of West Virginia, and Mr. MOLLOHAN):

H.R. 7673. A bill to provide for the establishment of the Ohio Canal and Cuyahoga Valley National Historic Park and Recreation Area; to the Committee on Interior and Insular Affairs.

By Mr. WALDIE:

H.R. 7674. A bill to amend the Internal Revenue Code of 1954 to simplify the retirement income credit; to the Committee on Ways and Means.

By Mr. WHALEN:

H.R. 7675. A bill to provide for the control of surface and underground coal mining operations which adversely affect the quality of our environment, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WINN:

H.R. 7676. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968: to the Committee on the Judiciary.

By Mr. WRIGHT:

H.R. 7677. A bill to amend title XVIII of the Social Security Act to provide payment for chiropractors' services under the program of supplementary medical insurance benefits for the aged; to the Committee on Ways and Means.

By Mr. ANDERSON of Illinois (for himself and Mr. FLOWERS):

H.R. 7678. A bill to amend the Internal Revenue Code of 1954 to allow an income tax credit for gifts or contributions made to any institution of higher education to be cited as, "The Higher Education Gift Incentive Act of 1971"; to the Committee on Ways and Means.

By Mr. ASPIN (for himself, Mrs. ABZUG, Mr. ADDABBO, Mr. BADILLO, Mrs. CHISHOLM, Mr. DENT, Mr. DORN, Mr. DOWNING, Mr. EDWARDS of California, Mr. FISHER, Mr. WILLIAM D. FORD, Mr. FULTON of Tennessee, Mrs. GRASSO, Mr. HALPERN, Mr. HAMILTON, Mr. HARRINGTON, Mr. HAYS, Mr. HULL, Mr. KOCH, Mr. LEGGETT, Mr. MONTGOMERY, Mr. MORSE, Mr. MOSS, Mr. PATTEN, and Mr. PEPPER):

H.R. 7679. A bill to amend the Communications Act of 1934 to ban sports from closed-circuit television; to the Committee on Interstate and Foreign Commerce.

By Mr. ASPIN (for himself, Mr. PETTIS, Mr. PUCINSKI, Mr. ROSENTHAL, Mr. ROY, Mr. ST GERMAIN, Mr. STOKES, Mr. VANDER JAGT, Mr. VEYSEY, and Mr. ZWACH):

H.R. 7680. A bill to amend the Communications Act of 1934 to ban sports from closed-circuit television; to the Committee on Interstate and Foreign Commerce.

By Mr. BEGICH:

H.R. 7681. A bill to provide an equitable system for fixing and adjusting the rates of pay for prevailing rate employees of the Government, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 7682. A bill to amend title XVIII of the Social Security Act to provide payment

for chiropractors' services under the program of supplementary medical insurance benefits for the aged; to the Committee on Ways and Means.

By Mr. BERGLAND:

H.R. 7683. A bill to declare Leech Lake, Cass Lake, and Winnibigoshish Lake in the State of Minnesota to be nonnavigable waters for certain purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CLAY (for himself, Mr. ADDABBO, Mr. BURKE of Massachusetts, Mr. MIKVA, Mr. WALDIE, Mr. HARRINGTON, Mr. DONOHUE, Mr. STOKES, Mrs. CHISHOLM, Mr. ROE, Mr. CHARLES H. WILSON, Mr. DIGGS, Mr. CARNEY, Mr. CONYERS, Mrs. HICKS of Massachusetts, Mr. DRINAN, Mr. HALPERN, Mr. ROYBAL, Mr. EDWARDS of California, Mr. HAWKINS, Mrs. GRASSO, Mr. BRASCO, Mr. WYATT, Mr. DANIELS of New Jersey, and Mr. ECKHARDT):

H.R. 7684. A bill; National Public Employee Relations Act; to the Committee on Education and Labor.

By Mr. CLAY (for himself, Mr. BADILLO, Mr. EILBERG, Mr. NIX, Mr. BINGHAM, Mr. GARMATZ, Mr. ROSENTHAL, Mr. GREEN of Pennsylvania, Mr. RYAN, Mr. MOSS, Mr. SCHEUER, Mr. STEELE, Mr. SARBANES, Mr. PEPPER, Mr. COLLINS of Illinois, Mr. DELLUMS, Mr. REUSS, Mr. BYRNE of Pennsylvania, Mrs. ABZUG, Mr. GALLAGHER, Mr. ROONEY of Pennsylvania, Mr. CORMAN, Mr. MINISH, Mr. BARRETT, and Mr. SEIBERLING):

H.R. 7685. A bill; National Public Employee Relations Act; to the Committee on Education and Labor.

By Mr. CLAY (for himself, Mr. HATHAWAY, Mr. TIERNAN, Mr. HELSTOSKI, Mr. SHIPLEY, Mr. CAREY of New York, Mr. RIEGLE, Mr. DOW, Mr. MURPHY of New York, Mr. JACOBS, Mr. MEEDS, Mr. O'NEILL, Mr. MITCHELL, Mr. KYROS, Mr. KARTH, and Mr. KOCH):

H.R. 7686. A bill; National Public Employee Relations Act; to the Committee on Education and Labor.

By Mr. COLMER (for himself, Mr. POFF, Mr. HAMMERSCHMIDT, and Mr. MIZELL):

H.R. 7687. A bill to consent to the interstate environment compact; to the Committee on the Judiciary.

By Mr. CULVER:

H.R. 7688. A bill to provide for the economic development of Indians, Indian tribes, and other Indian organizations, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 7689. A bill to provide for the creation of the Indian Trust Counsel Authority, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 7690. A bill to provide a tax incentive for industrial development for the Indians on certain reservations in order to improve conditions among the Indian people on such reservations and in other communities, and for other purposes; to the Committee on Ways and Means.

By Mr. DULSKI:

H.R. 7691. A bill to establish a Federal wage system for fixing and adjusting the pay for certain employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. EVINS of Tennessee (for himself, Mr. ADDABBO, Mr. CARNEY, Mr. CONTE, Mr. GARMATZ, Mr. HARRINGTON, Mr. HORTON, Mr. KLUCZYNSKI, Mr. LUJAN, Mr. MCDADE, Mr. MITCHELL, Mr. MORSE, Mr. ST GERMAIN, Mr. J. WILLIAM STANTON, Mr. STEED, Mr. SMITH of Iowa, and Mr. WYMAN):

H.R. 7692. A bill to amend the Internal Revenue Code of 1954 to provide income tax simplification, reform, and relief for small business; to the Committee on Ways and Means.

By Mr. FULTON of Pennsylvania:

H.R. 7693. A bill to amend the Internal Revenue Code of 1954 to extend the head of household benefits to unremarried widows and widowers, and individuals who have never been married or who have been separated or divorced for 1 year or more, who maintain their own households; to the Committee on Ways and Means.

By Mr. HARSHA:

H.R. 7694. A bill to amend title 38, United States Code, to provide for the payment of pensions to veterans of World War I; to the Committee on Veterans' Affairs.

By Mr. HECHLER of West Virginia (for himself, Mr. BIAGGI, Mr. BIESTER, Mr. CAREY of New York, Mr. COTTER, Mr. DANIELSON, Mr. DRINAN, Mr. GALIFIANAKIS, Mr. KOCH, Mr. KYROS, Mr. PEPPER, Mr. PODELL, Mr. RODINO, and Mr. JAMES V. STANTON):

H.R. 7695. A bill to provide for the control of surface and underground coal mining operations which adversely affect the quality of our environment, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HELSTOSKI:

H.R. 7696. A bill to provide increased annuities under the Civil Service Retirement Act; to the Committee on Post Office and Civil Service.

By Mr. JACOBS:

H.R. 7697. A bill to amend title VII of the Public Health Service Act by providing for the establishment of a family physician scholarship and fellowship program; to the Committee on Interstate and Foreign Commerce.

By Mr. LANDGREBE:

H.R. 7698. A bill to amend the Public Health Service Act to continue and broaden eligibility of schools of nursing for financial assistance, to improve the quality of such schools, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. LATTA:

H.R. 7699. A bill to amend the Land and Water Conservation Fund Act of 1965, as amended; to the Committee on Interior and Insular Affairs.

By Mr. LENNON:

H.R. 7700. A bill to further provide for the farmer-owned cooperative system of making credit available to farmers and ranchers and their cooperatives, for rural residences, and to associations and other entities upon which farming operations are dependent, to provide for an adequate and flexible flow of money into rural areas, and to modernize and consolidate existing farm credit law to meet current and future rural credit needs, and for other purposes; to the Committee on Agriculture.

By Mr. LUJAN:

H.R. 7701. A bill to amend the act of August 9, 1955, to authorize longer term leases of Indian lands located outside the boundaries of Indian reservations in New Mexico; to the Committee on Interior and Insular Affairs.

H.R. 7702. A bill to amend the Atomic Energy Community Act of 1955, as amended, to authorize the transfer of certain property at Los Alamos, N. Mex.; to the Committee on Joint Committee on Atomic Energy.

By Mr. McDONALD of Michigan:

H.R. 7703. A bill to amend the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

By Mr. MORSE (for himself and Mr. BINGHAM):

H.R. 7704. A bill to provide assistance to defense workers whose employment has been adversely affected by the transition to a peacetime economy; to the Committee on Ways and Means.

By Mr. POFF:

H.R. 7705. A bill to amend certain provisions of law relating to the compensation of the Federal representative on the Southern Interstate Nuclear Board; to the Committee on the Judiciary.

By Mr. PRYOR of Arkansas (for himself, Mr. BRASCO, Mr. BUCHANAN, Mr. BYRNE of Pennsylvania, Mr. ESCH, Mr. FULTON of Pennsylvania, Mr. KYROS, Mr. LINK, Mr. MOORHEAD, Mr. MORSE,, Mr. NIX, Mr. PODELL, Mr. RANGEL, Mr. REES, Mr. SARBANES, and Mr. WIGGINS):

H.R. 7706. A bill to protect ocean mammals from being pursued, harassed, or killed; and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. REID of New York:

H.R. 7707. A bill to amend the Public Health Service Act to extend and broaden existing programs to provide financial assistance in the construction and expansion of schools of nursing, to improve the quality of such schools, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 7708. A bill to amend the Federal Water Pollution Control Act, as amended; to the Committee on Public Works.

By Mr. SCHEUER:

H.R. 7709. A bill to amend title XI of the Social Security Act to protect State and local employees against the loss of their jobs or the worsening of their employment positions in cases where the Federal Government takes over the performance of welfare functions from such States and their political subdivisions; to the Committee on Ways and Means.

By Mr. STEED:

H.R. 7710. A bill to further provide for the former-owned cooperative system of making credit available to farmers and ranchers and their cooperatives, for rural residences, and to associations and other entities upon which farming operations are dependent, to provide for an adequate and flexible flow of money into rural areas, and to modernize and consolidate existing farm credit law to meet current and future rural credit needs, and for other purposes; to the Committee on Agriculture.

H.R. 7711. A bill to amend the Public Health Service Act to continue and broaden eligibility of schools of nursing for financial assistance, to improve the quality of such schools, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ULLMAN:

H.R. 7712. A bill to amend the Internal Revenue Code of 1954 to restore the investment credit; to the Committee on Ways and Means.

By Mr. VANDER JAGT (for himself, Mr. BELL, Mr. BRASCO, Mr. BYRNE of Pennsylvania, Mrs. CHISHOLM, Mr. CLAY, Mr. EDWARDS of California, Mr. EILBERG, Mr. EVINS of Tennessee, Mr. HANSEN of Idaho, Mr. HECHLER of West Virginia, Mr. HORTON, Mr. KEATING, Mr. MICHEL, Mrs. MINK, Mr. MITCHELL, Mr. MOORHEAD, Mr. RONCALIO, Mr. ROSENTHAL, Mr. RUPPE, Mr. SCOTT, Mr. VEYSEY, Mr. CHARLES H. WILSON, Mr. WRIGHT, and Mr. WYATT):

H.R. 7713. A bill to encourage States to establish abandoned automobile removal programs and to provide for tax incentives for automobile scrap processing; to the Committee on Ways and Means.

By Mr. MAHON:

H.J. Res. 567. Joint resolution making certain urgent supplemental appropriations for the fiscal year 1971, and for other purposes; to the Committee on Appropriations.

By Mr. BADILLO:

H.J. Res. 568. Joint resolution to authorize the President to proclaim the 22d day of April of each year as "Queen Isabella Day"; to the Committee on the Judiciary.

By Mr. BAKER (for himself, Mr. DANIEL of Virginia, Mr. DUNCAN, Mr. KUYKENDALL, Mr. MAZZOLI, Mr. MONTGOMERY, Mr. PICKLE, and Mr. QUILLEN):

H.J. Res. 569. Joint resolution providing for the designation of the first week of October of each year as "National Gospel Music Week"; to the Committee on the Judiciary.

By Mr. BOGGS (for himself, Mr. GERALD R. FORD, Mr. ASPIN, Mr. BOLLING, Mr. BRADEMAS, Mr. BROWN of Ohio, Mr. BUCHANAN, Mr. DERWINSKI, Mr. FRASER, Mr. FRELINGHUYSEN, Mr. FREY, Mr. GUDE, Mrs. MINK, Mr. MCCLORY, Mr. MCFALL, Mr. MORSE, Mr. RIEGLE, Mr. SMITH of New York, Mr. STEIGER of Wisconsin, Mr. STEPHENS, and Mr. BOB WILSON):

H.J. Res. 570. Joint resolution to provide for the designation of the calendar week beginning on May 30, 1971, and ending on June 5, 1971, as "National Peace Corps Week"; to the Committee on the Judiciary.

By Mr. LONG of Maryland:

H.J. Res. 571. Joint resolution authorizing the President to designate June 5 of each year as "National Scoutmaster Day"; to the Committee on the Judiciary.

By Mr. LUJAN:

H.J. Res. 572. Joint resolution authorizing the Secretary of the Interior to establish a memorial museum at Las Vegas, N. Mex., to commemorate the Rough Riders and related history of the Southwest; to the Committee on Interior and Insular Affairs.

By Mr. PEPPER:

H. Con. Res. 275. Concurrent resolution expressing the sense of the Congress with respect to the diplomatic recognition of the Government of Cuba; to the Committee on Foreign Affairs.

By Mr. PRICE of Illinois:

H. Con. Res. 276. Concurrent resolution proposing a means for the establishment of a cease-fire in Vietnam; to the Committee on Foreign Affairs.

By Mr. SCHEUER:

H. Con. Res. 277. Concurrent resolution urging the President to initiate action with respect to a plan to secure the release of American prisoners of war from captivity by North Vietnam; to the Committee on Foreign Affairs.

By Mr. VANIK (for himself, Mrs. ABZUG, Mr. ADAMS, Mr. ADDABBO, Mr. ASPIN, Mr. BADILLO, Mr. BEGICH, Mrs. CHISHOLM, Mr. CORMAN, Mr. DRINAN, Mr. EILBERG, Mr. GIBBONS, Mr. HARRINGTON, Mr. HECHLER of West Virginia, Mr. MOSS, Mr. NIX, Mr. PODELL, Mr. RODINO, Mr. ROSENTHAL, Mr. SARBANES, and Mr. STOKES):

H. Con. Res. 278. Concurrent resolution relative to asset depreciation range; to the Committee on Ways and Means.

By Mr. ASHBROOK:

H. Res. 399. Resolution to establish a House select committee to investigate the forced repatriation by the United States of prisoners of war and civilians to the Soviet Union during and after World War II; to the Committee on Rules.

By Mr. CULVER:

H. Res. 400. Resolution; No termination of tribal council; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ASPINALL:

H.R. 7714. A bill for the relief of Ludwig Kurz; to the Committee on the Judiciary.

By Mr. BIAGGI:

H.R. 7715. A bill for the relief of Franco Emilio Nardi; to the Committee on the Judiciary.

By Mr. DANIELSON:

H.R. 7716. A bill for the relief of Erlinda Alindogan; to the Committee on the Judiciary.

By Mr. EVINS of Tennessee:

H.R. 7717. A bill to exempt from taxation by the District of Columbia certain property in the District of Columbia which is owned by the Supreme Council (Mother Council of the World) of the Inspectors General Knights Commanders of the House of the Temple of Solomon of the 33d Degree of the Ancient and Accepted Scottish Rite of Free Masonry of the Southern Jurisdiction of the United States of America; to the Committee on the District of Columbia.

By Mr. MAHON:

H.R. 7718. A bill to exempt from taxation by the District of Columbia certain property in the District of Columbia which is owned by the Supreme Council (Mother Council of the World) of the Inspectors General Knights Commanders of the House of the Temple of Solomon of the 33d Degree of the Ancient and Accepted Scottish Rite of Free Masonry of the Southern Jurisdiction of the United States of America; to the Committee on the District of Columbia.

By Mr. BROTZMAN:

H.R. 7719. A bill to exempt from taxation by the District of Columbia certain property in the District of Columbia which is owned by the Supreme Council (Mother Council of the World) of the Inspectors General Knights Commanders of the House of the Temple of Solomon of the 33d Degree of the Ancient and Accepted Scottish Rite of Free Masonry of the Southern Jurisdiction of the United States of America; to the Committee on the District of Columbia.

By Mr. SEBELIUS:

H.R. 7720. A bill to exempt from taxation by the District of Columbia certain property in the District of Columbia which is owned by the Supreme Council (Mother Council of the World) of the Inspectors General Knights Commanders of the House of the Temple of Solomon of the 33d Degree of the Ancient and Accepted Scottish Rite of Free Masonry of the Southern Jurisdiction of the United States of America; to the Committee on the District of Columbia.

By Mr. HELSTOSKI:

H.R. 7721. A bill for the relief of Anna I. Duisberg, sole heir of Dr. Walter H. Duisberg; to the Committee on the Judiciary.

By Mr. ST GERMAIN:

H.R. 7722. A bill for the relief of Angelina do Carmo; to the Committee on the Judiciary.

By Mr. STEPHENS:

H.R. 7723. A bill for the relief of Moises Kankolsky Agosin, his wife, Frida Halpern Agosin, and their minor son, Mario D. Agosin; to the Committee on the Judiciary.

By Mr. LUJAN:

H.J. Res. 573. Joint Resolution relating to 1st Lt. William L. Calley, Jr., and Capt. Ernest L. Medina, U.S. Army Reserve; to the Committee on Armed Services.

By Mr. BROYHILL of Virginia:

H. Res. 401. Resolution to refer the bill (H.R. 6204) entitled "A bill for the relief of John S. Attinello" to the Chief Commissioner of the Court of Claims pursuant to sections 1492 and 2509 of title 28, United States Code, as amended; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

SAN FRANCISCO CIVIC CENTER FORUM

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 20, 1971

Mr. ROYBAL. Mr. Speaker, on the occasion of the Civil Service Commission's recent announcement of its efforts to increase the number of minority group personnel working for the Federal Government, I would like to inform my fellow Members of Congress of a study completed by the San Francisco Civic Center Forum on the employment of Spanish-surnamed Americans in Government. This study reveals that Spanish-surnamed employees only constitute 2.8 percent of the total number of people employed by the Federal Government nationwide. The inequity of Spanish-surnamed employment in the Federal Government is even more apparent when one observes specific Federal agencies and departments. The Postal Service, for example, only claims 2.5 percent of its employees are Spanish-speaking while the two agencies in the Departments of Agriculture and Health, Education, and Welfare most concerned with the problems of migratory laborers and other Spanish-speaking groups show that no more than 1.7 percent of their employees have Spanish surnames. With these statistics in mind I would like my colleagues to consider the following list of recommendations compiled by the Civic Center Forum of San Francisco which relates to the President's 16-point program for the Spanish speaking:

CIVIC CENTER FORUM

(Recommendations for Implementation of President Nixon's Sixteen Point Program for the Spanish-Speaking)

Point 1—In order to effect the changes needed to bring about full participation by the Spanish-Surnamed in federal jobs, the coordinator position at the national level should be of a policy-making nature (at least GS–16). Regionally, the Civil Service Commission should add Spanish-Surnamed recruiters to its staff (at least at GS–14 level) in order to insure that all possible sources of Spanish-Surnamed applicants are tapped.

Point 2—The Civil Service Commission and other federal agencies should identify and contact all present Spanish-Surnamed federal employees (not a difficult task, considering their number) and Spanish-Speaking organizations in order to insure that the recruiting program includes all possible persons with knowledge of the Spanish-Speaking community.

Point 3—Using the list of Spanish-Surnamed college graduates developed by the Cabinet Committee on Spanish-Surnamed Affairs, a mailer should be developed and used to complement recruiting drives.

Point 4—All federal agencies, not just the ones listed, should be included in an effort to assist Spanish-Surnamed applicants in the recruiting-selection-placement process.

Point 5—No additional recommendations.